ERS-Foreign 185

THE EUROPE AND SOVIET UNION AGRICULTURAL SITUATION

Review of 1966 and Outlook for 1967

U.S. DEPARTMENT OF AGRICULTURE
ECONOMIC RESEARCH SERVICE
Washington, D.C.

FOREWORD

In 1966 the West European Branch and the East European Branch of the Foreign Regional Analysis Division were merged to form the Europe and Soviet Union Branch. As a result, this report combines the work published previously in two annual reports--The Western Europe Agricultural Situation and The USSR and Eastern Europe Agricultural Situation.

This report is intended to provide an analytical basis for short-run policy decisions, as well as to inform an interested public about current agricultural developments in Europe and the Soviet Union. It is one of four regional supplements to The World Agricultural Situation: Review of 1966 and Outlook for 1967, FAER-33. Other regional reports are being published in the ERS-Foreign series for the Western Hemisphere, the Far East and Oceania, and Africa and West Asia. Data in the report may vary slightly from those in The World Agricultural Situation because of more recent information.

Fletcher Pope, Jr., Leader, Situation and Outlook Section, provided direction and coordination of the report. Harry E. Walters, Leader, Communist Areas Analysis Section, supervised those portions of the report on Eastern Europe and the Soviet Union. Others participating in the preparation of the report include Marshall H. Cohen, A. Paul Danyluk, Doris H. Jeter, James Lopes, Carolyn E. Miller, Roger E. Neetz, David W. Riggs, Robert E. Shepherd, Elizabeth V. Truhan, Sheldon K. Tsu, and Thomas A. Vankai.

Acknowledgment is extended to the Foreign Agricultural Service for the assistance provided, especially by Agricultural Attache personnel. Their basic statistical data and invaluable first-hand observations were the source of much of the data for this report, as well as for other studies prepared by the Economic Research Service. They, of course, bear no responsibility for our interpretation.

Finally, special recognition is given to the late Dr. Lazar Volin, formerly Chief of the East European Branch, for his pioneering effort in developing this series of reports. The Agricultural Situation in 1961-62 in the Soviet Union and Other Eastern European Countries, prepared under his direction, was the first regional agricultural situation report issued by the Foreign Regional Analysis Division.

G. Stanley Brown
Chief
Europe and Soviet Union Branch
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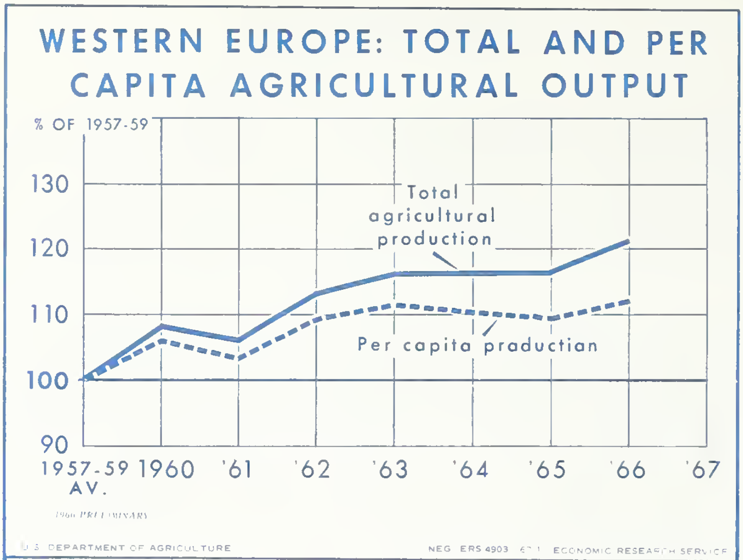
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Per capita production
U.S. DEPARTMENT OF AGRICULTURE
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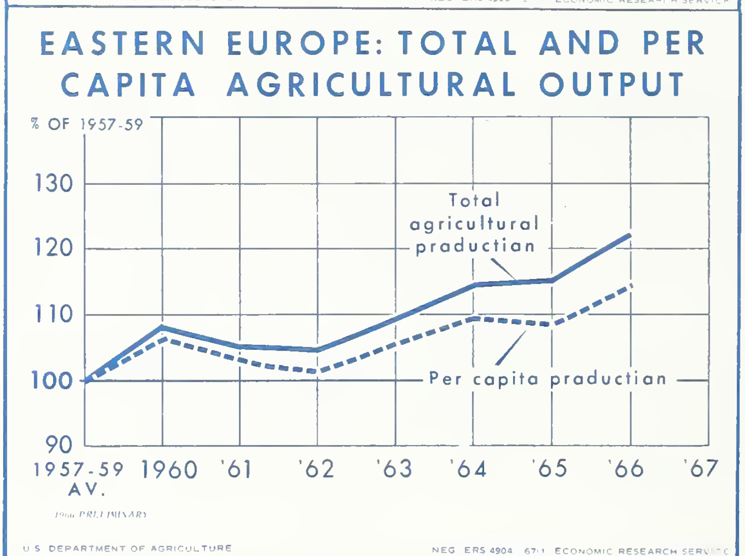
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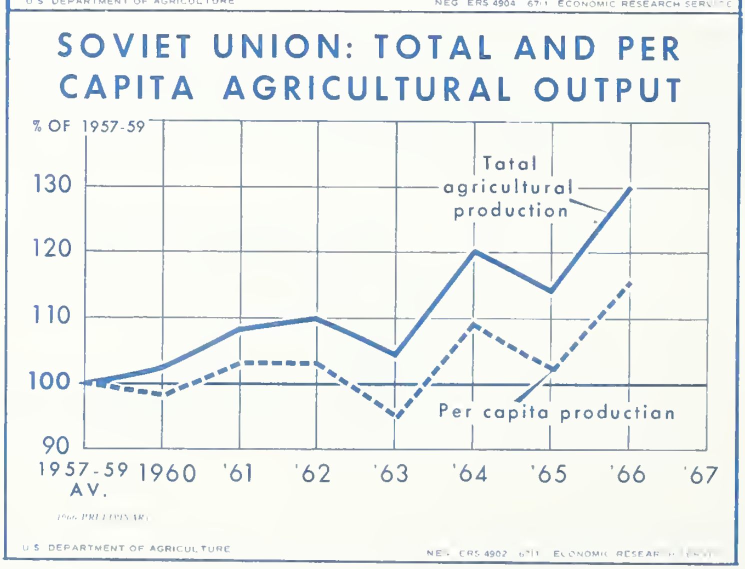
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Total agricultural production
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Washington, D.C.

May 1967

ABBREVIATIONS

CAP. . . . . Common Agricultural Policy of the European Economic Community.

CEMA . . . Council for Mutual Economic Assistance (Members: Bulgaria, Czechoslovakia, East Germany, Hungary, Mongolia, Poland, Romania, and the Soviet Union.)

CXT. . . . . Common External Tariff of the European Economic Community.

EEC. . . . . European Economic Community. (Members: Belgium, Luxembourg, France, Italy, West Germany, Netherlands. Associate members: Greece, Turkey.)

EFTA. . . . European Free Trade Association. (Members: United Kingdom, Austria, Denmark, Norway, Sweden, Switzerland, Portugal. Associate member: Finland.)

FEOGA. . . European Agricultural Guidance and Guarantee Fund of the EEC.

GAP. . . . . Gross Agricultural Product.

GATT. . . . General Agreement on Tariffs and Trade.

GDP. . . . . Gross Domestic Product.

GNP. . . . . Gross National Product.

OECD. . . . Organization for Economic Co-operation and Development. (Members: The United States, Canada, Japan, Turkey, Yugoslavia, and all West European countries except Finland.)

TIME REFERENCES

Statistics refer to a calendar year unless otherwise indicated. When split year (July 1 to June 30) data are used, they are identified with a diagonal stroke such as 1964/65. Hyphens, such as 1959-61, indicate averages for several years.

HE EUROPE AND SOVIET UNION AGRICULTURAL SITUATION

SUMMARY

Agricultural production in Europe and the Soviet Union was at a record level in 1966, with increases in all three major areas--Western Europe, Eastern Europe, and the Soviet Union. The percentage increase in output over 1965 in the Soviet Union was more than twice as great as the increases in Eastern and Western Europe.

The rate of economic growth in Western Europe during 1966 was about 4 percent, approximating the rate in 1965.[1] The rate of economic growth increased for France and Italy, but declined in the United Kingdom and West Germany. Although labor shortages in 1966 were a problem in some countries, they have eased noticeably in recent months with unemployment occurring in certain areas. Wages and prices continued to rise during the year. Therefore, several West European countries have adopted restrictive monetary and fiscal measures. Economic activity began to slacken in the second half of 1966, and it seems doubtful that the 1966 growth rate will be achieved in 1967.

Both total and per capita agricultural production continued to increase in Western Europe in 1966, in spite of adverse weather during key periods.[2] For several years, most of Western Europe has had unusually wet weather, which has tended to depress growth in agricultural production.

Grain production in Western Europe declined slightly in 1966 to 104 million tons.[3] Wheat output fell about one-tenth to 40 million tons from the 1965 record of 45 million tons, but the quality of the wheat was significantly better. Total feed grain output climbed to 57 million tons, a new record, tending to offset the decrease in wheat production. A bumper crop of 32 million tons of barley was harvested. Barley acreage increased sharply in 1966 because wet weather interfered with the seeding of winter wheat. Corn production also increased sharply in 1966.

The potato and sugarbeet crops in Western Europe in 1966 were about equal to those of 1965, but the sugar content of the beets was somewhat higher in 1966. Fruit production was substantially greater than in 1965. Also, the cotton crop was over one-tenth larger than in 1965. Production of olive oil in 1966 was considerably higher than in 1965 but still below the 1963 record.

Output of most livestock products increased in 1966. Total meat production was about 3 percent higher than in 1965. An increase of over 7 percent in beef and veal output more than offset a slight decline in pork production. Also, mutton and lamb and poultry meat registered some gains in 1966. Production of milk increased somewhat because of relatively good forage and some increase in cow numbers.

[1] See table 9 (in Appendix) for economic and demographic data for Western Europe.

[2] For statistics on the production of crops and livestock in Western Europe, see tables 10 and 11 (in Appendix).

[3] Tonnages in this report are metric tons unless otherwise indicated. For conversion equivalents see page 115.

Total agricultural trade by Western Europe continued to increase in 1965.[4] Agricultural imports were $21.5 billion in 1965--up 4 percent from 1964. Exports in 1965 totaled $8.9 billion, nearly one-tenth above the previous year.[5] Agricultural imports by the countries in the European Economic Community totaled $12 billion while exports amounted to $5.5 billion.

U.S. farm exports to Western Europe in 1965 increased slightly to $2.4 billion.[6] As in other years, feed grains ($697 million) comprised the largest share of these exports, followed by oilseeds and oilseed products ($564 million) and tobacco ($254 million).

France ceased boycotting EEC meetings in January 1966 and agreement was reached in May on financing the fund (FEOGA) which underwrites the EEC's Common Agricultural Policy. Roughly half of the funds for financing the CAP will come from levies on agricultural imports from nonmember countries and the remainder will be national treasury donations.

Common prices were established for milk, beef and veal, rice, sugar, oilseeds, and olive oil in July. These prices are to go into effect on various dates from November 1, 1966, to July 1, 1968--the date when the customs union is to be completed and internal EEC trade is to be free of tariff barriers.

Also in July 1966 the EEC Ministers approved a basic fats and oils marketing regulation, the broad principles of a sugar regulation, and steps to strengthen the basic fruit and vegetable regulation. The net result of the agreements of the summer appears to be greater protection for EEC farmers and encouragement for increased domestic production.

[4] For statistics on exports and imports of agricultural products by Western Europe, see tables 12 and 13 (in Appendix).

[5] Export values in this report are f.o.b. and import values are c.i.f.

[6] For statistics on U.S. agricultural exports to Western Europe, see table 14 (in Appendix).

The Kennedy Round trade negotiations under the General Agreement on Tariffs and Trade (GATT) were delayed by the 1965 EEC crisis and further delayed in 1966 by the EEC's decision-making process. The common price decision in July permitted "the Six" to table initial agricultural offers. Failing to meet the GATT's November 30 deadline, the EEC was unable to agree on limited offers for tobacco, fruit and vegetables, and sugar until December 22. An anticipated offer for fats and oils failed to materialize. The Round appears to offer only moderate contributions to less restricted agricultural trade. World agreements on grains and possibly on beef and veal and dairy products seem to have some chance of success.

There was an upsurge of interest by a number of countries in accession to, or various forms of association with, the Common Market. The United Kingdom declared its intention to renew explorations on conditions and possibilities of obtaining membership. Other EFTA members and a number of other countries--including Spain, Israel, and Ireland--also are interested in membership or association with the EEC. Nigeria signed an association agreement with the EEC in July 1966.

On November 30, 1966, the United Kingdom discontinued a 10 percent import surcharge on industrial goods. Industrial tariffs between EFTA countries were completely eliminated on January 1, 1967. Efforts are also being made to stimulate agricultural trade between member countries.

Agricultural production in Eastern Europe increased 6 percent in 1966 and reached a level 22 percent above the 1957-59 average.[7] This performance reflects not only very favorable weather in some countries, but also improvements in the availability of productive inputs and higher farm prices and incentives. The East European governments generally are making serious efforts to increase farm output.

[7] For indexes of total and per capita agricultural production in Eastern Europe and the Soviet Union, see table 1 on page 5.

The Danubian countries of Bulgaria, Romania, and Yugoslavia experienced exceptionally favorable weather, and registered major gains in agricultural production. The good summer with adequate moisture in 1966 was in sharp contrast to the drought conditions which prevailed in these countries in 1965. Agricultural output gains registered in the northern countries of Poland and East Germany were more modest, while Czechoslovakia and Hungary showed considerable recovery from the poor results in 1965.

Total grain production in Eastern Europe rose by more than 8 percent in 1966.[8] The increase in grain production was mainly attributable to the corn crop which reached a new record of just over 22 million tons. Small increases were also registered in the harvests of wheat, barley, and oats. The rye crop was slightly smaller than in 1965.

Production of other crops also did well in 1966. Sharp increases were registered in the production of potatoes and sugarbeets. The increases in output realized for oilseeds, tobacco, and cotton were more modest. The harvests of sugarbeets and oilseeds in 1966 were at record levels. However, potatoes, tobacco, and cotton did not reach the peak levels of output obtained in 1964.

Meat production in Eastern Europe in 1966 was about the same as in 1965.[9] Production during 1965 was aided by somewhat heavier than normal slaughtering of livestock because of the adverse effect of the drought in the southern countries on the supply of feed. Conversely, the relatively good feed supply from the 1966 season resulted in a decline in the rate of slaughtering as herds were being rebuilt. Production of milk and eggs reached new peaks in 1966.

Agricultural policy in Eastern Europe during 1966 involved primarily the implementation of the 5-year plans and the furthering of economic reforms. These reforms include a general increase in the supply of productive inputs, the use of economic levers to stimulate output, and changes in the operation and management of agriculture. The new 5-year plans generally call for more modest increases in output than in earlier plans, but for more rapid increases in inputs.

The increase in agricultural production in Eastern Europe was reflected in an improvement in the food situation. The supply of food was considerably better during the last half of 1966 than during the corresponding period in 1965. The improvement in the food supply was most pronounced in the southern countries which had experienced drought in 1965 but had exceptionally favorable weather in 1966.

Agricultural trade patterns in Eastern Europe varied considerably during 1963-65.[10] Exports of agricultural products declined in 1964 because of relatively poor crops in 1963 and 1964, and imports registered a sharp increase. During 1965, exports tended to recover from the decline in 1964 while imports of agricultural products remained at about the 1964 level. However, imports of agricultural products from the United States in 1965 were much smaller than in 1964.

Agricultural production in the Soviet Union rose by 16 percent in 1966 and was 11 percent above the 1964 peak, thus perpetuating the sharp annual fluctuations in output which have typified Soviet agriculture since 1962. A surprisingly large grain harvest of about 140 million tons, and a record wheat crop of about 80 million tons were outstanding features of 1966 performance.[11]

Favorable weather in most regions gave a sharp boost to the much increased farm inputs and incentives which have come into

[8] For statistics on the production of crops in Eastern Europe and the Soviet Union, see table 15 (in Appendix).

[9] For statistics on the production of livestock products and livestock numbers in Eastern Europe and the Soviet Union, see tables 16 and 17 (in Appendix).

[10] For statistics on the imports and exports of agricultural products by countries in Eastern Europe and by the Soviet Union, see table 18 (in Appendix).

[11] Grain figures are USDA estimates of usable grain, not Soviet-reported "bunker weight" figures (See p. 70).

play since 1963, as a result of major shifts in Soviet agricultural policy. Good-to-record harvests were recorded for most crops with a new record cotton crop of nearly 6 million tons (unginned) reported. Potatoes suffered from some adverse weather and the output of sugarbeets was below the record 1964 level, but the output of oilseeds exceeded the 1964 peak.

Output of livestock products exceeded 1965 levels and, with the exception of wool, new records were set. A relatively small change in herds took place while record output of livestock feed, both grains and roughages, was reported in 1966.

Government purchases of most crops and livestock products were at record levels, with exceptionally large purchases reported for food grains, sunflowerseeds, and cotton. The Government stock position in grains, oilseeds, cotton, and sugar is good as a result of excellent performance in the grain sector in 1966 and very good performance in the industrial crop sector in 1964-66. This is a considerable improvement over the situation in 1963 when serious shortfalls took place in most crops and livestock after 4 years of relative stagnation and the USSR was forced to make exceptional wheat imports.

In addition to weather the good performance in all sectors of agriculture in 1966 reflects: (1) major improvements in the availability of fertilizer, machinery, and other capital inputs; (2) higher farm prices and incentives; and (3) a more realistic set of farm practices and Government purchase policies.[12] These have resulted from the farm programs of Brezhnev and Kosygin who assumed leadership in late 1964. Particularly large increases in machinery deliveries took place in 1966, and the higher prices established in 1965 coupled with high output in 1966 gave a sharp boost to farm incomes during 1966. The Government moved to further raise incentives of farm workers in 1966 by establishing bonus wage payments for state machinery operators during peak crop periods, and starting to establish guaranteed monthly wage payments for collective farm workers at rates, on an individual job basis, at the higher level paid on state farms. A major long-term land reclamation and irrigation program was also begun in 1966.

The major output guidelines for agriculture during the period 1966-70 were announced during 1966 and they reflect the more serious view of agricultural production and possibilities being taken by the new Soviet leaders. A more realistic, although still sizable, level of output is called for, with heavy emphasis on grain production. Additional major increases in inputs of fertilizer, machinery, and capital are planned.

The food situation in the USSR improved sharply in 1966. Food supplies during 1964-66 improved over those during the first years of this decade. The supply of livestock products has now recovered from the sharp downturn in 1964. Heavy imports of wheat during 1963-66 helped stave off a serious deterioration in bread supplies, except during the late months of 1963. Consumption of vegetable oils, sugar, and fruits has increased as a result of increased production. Substantial increases in per capita consumption of meat, milk, sugar, vegetables, vegetable oils, fruits, and fish are planned for the period 1966-70.

Foreign agricultural trade of the USSR during 1966 reflected the lingering effects of the grain shortages during 1963-65 and a sharp reversal after the 1966 harvest was completed. At midyear 1966 an agreement was signed between Canada and the USSR for the latter to receive 9 million tons of wheat over a 3-year period. But by the end of the year, the USSR was in a position to export roughly 4 to 5 million tons of its 1966 wheat crop to Poland, Czechoslovakia, East Germany, the UAR, Algeria, India, and other countries. The unexpectedly large Government wheat purchases from USSR farms in 1966 provided sufficient wheat to undertake these exports, set aside stocks against another serious wheat

[12] See table 19 (in Appendix), for data on the importance of agriculture in the economy and major agricultural inputs in 1965 in the countries of Eastern Europe and in the Soviet Union.

Table 1.--Eastern Europe and Soviet Union: Indexes of agricultural production, total and per capita, 1960-66 1/

(1957-59 = 100)

Country	Total							Per capita						
	1960	1961	1962	1963	1964	1965	1966	1960	1961	1962	1963	1964	1965	1966
Poland	109	118	108	116	119	124	126	106	113	102	108	110	113	114
East Germany	112	85	97	98	101	108	109	113	87	99	99	102	109	110
Czechoslovakia	109	105	101	108	108	103	113	108	103	98	104	104	98	107
Hungary	104	98	100	105	106	105	110	103	97	98	103	104	102	107
Rumania	108	116	102	112	115	126	137	106	113	98	108	110	119	129
Bulgaria	109	106	111	113	126	123	145	107	104	108	108	120	116	136
Yugoslavia	102	99	104	111	118	110	131	100	96	100	105	110	102	120
Eastern Europe	108	105	104	109	114	115	122	106	103	101	105	109	108	114
USSR	102	108	110	104	120	115	134	98	103	103	95	109	103	118
Eastern Europe and USSR	104	107	108	106	118	115	130	101	103	102	99	109	105	117

1/ These USDA indexes are now based on the value of calendar year crop and livestock product output, weighted in terms of 1957-59 average West European producer or wholesale prices, in U.S. dollars. Deductions are made for the value of crops used to produce livestock output. This deduction is based on the value of the output assigned to feed in Food Balances for 8 East European Countries, 1959-61, ERS-Foreign 124, Economic Research Service, U.S. Department of Agriculture.

failure, and still leave considerable additional supplies.

Large USSR production and Government purchases of oilseeds, cotton, and sugarbeets during 1964-66 have shown up in increased Soviet exports of vegetable oils, cotton, and sugar. This situation is likely to intensify during 1967.

Imports of virtually all agricultural commodities by the USSR increased in 1965. Imports of foodstuffs averaged 20 percent of total imports in 1964-65, a sharp jump from the average of about 13 percent during 1960-63. Exports of butter, sugar, oilcake, cotton, wool, barley, and vegetable oils increased, but other exports declined. Exports of foodstuffs fell from an average of about 13 percent of total exports in 1960-63 to about 8 percent in 1964-65. The impact of poor wheat supplies and some other difficulties during 1965 probably maintained imports of foodstuffs at high levels during 1966 while exports of the major industrial crops increased further.

The share of Eastern Europe in total USSR trade increased during the 1961-65 period as did the share of noncommunist countries, reflecting the decline in trade with Mainland China. U.S. exports of all commodities to the USSR dropped sharply in 1965 while imports from the USSR doubled. U.S. agricultural exports fell from $127.6 million to $29 million, while imports rose from $1.8 to $2.5 million.

SITUATION BY REGION

WESTERN EUROPE

ECONOMIC SITUATION

The rate of growth in real gross national product (GNP) for Western Europe was estimated at about 4 percent in 1966. The growth rate in the EEC was 4.5 percent, somewhat higher than the 4.0 percent increase realized in 1965. West European countries showing an increase in the rate of growth in real GNP in 1966 include France, Italy, the Netherlands, Austria, and Portugal. The United Kingdom, West Germany, and the Scandinavian countries experienced declines in their growth rates for 1966.

The rate of growth in GNP for all of Western Europe in 1967 will probably not exceed 4 percent. Among the major industrial countries of Western Europe, slightly higher rates than in 1966 are foreseen for France and Italy but these probably will be offset by decreases in the growth rates in the United Kingdom and West Germany. Growth in output for most West European countries was strong early in 1966, but began to lose vigor during the last half of the year. This slackening of economic activity is expected to continue into 1967. The flood in November 1966 is not expected to have an appreciable effect on overall growth in Italy in 1967.

The danger of inflation persists in many countries, although there is little likelihood of runaway inflation. Restrictive monetary and fiscal policies have been supplemented by policies regulating income in several countries, in an effort to keep wages and prices in a satisfactory relationship to productivity. In recent years, increases in unit costs have been strongly correlated with rising wages in many West European countries. The cost of living in Western Europe has been increasing rapidly in recent years. Higher food prices, along with rising prices for rents and services, contributed strongly to consumer price rises in 1966.

The growth in internal demand, both from consumers and from industry for plant and equipment, has increased. However, consumer demand has been curbed somewhat by monetary measures; investment demand has been dampened moderately by capital shortages. During 1967, capital investment may continue to be curtailed by the tight international money market, though the long-term rise in interest rates appears to be leveling off. The slowdown in economic activity in the United States also may be indirectly felt by West European economies during 1967.

Factors which are likely to influence economic variables during 1967 include completion, except for Finland, of duty dismantling within the European Free Trade Area (EFTA) on January 1, 1967, and the removal of the import surcharge in the United Kingdom in November 1966. The outcome of the discussions concerning possible accession of EFTA countries to the EEC and of the Kennedy Round negotiations also may have some bearing on the level of economic activity in 1967. Although a reduction in tariff barriers resulting from the Kennedy Round would have some impact, trading patterns within Western Europe will continue to be intra-bloc oriented until some easing of tariff restrictions between EFTA and the EEC occurs. Nevertheless, sizable deficits have been noted in the trade accounts for both EFTA and EEC countries and reserve accumulation has increased more slowly than trade demand. In 1966, the EEC had a commodity trade deficit close to the $1.5 billion for 1965, while EFTA's deficit was around $6 billion.

AGRICULTURAL PRODUCTION

Agricultural production in Western Europe in 1966 increased substantially from the previous year as shown in the following indexes (1957-59 = 100): [13]

	Total	Per capita
1961	106	103
1962	113	109
1963	116	111
1964	116	110
1965 preliminary.	116	109
1966 estimated . .	121	112

High levels of production generally reflect advancing technology and favorable agricultural policies. Some crops were adversely affected by weather. Total grain production in 1966 was slightly less than in 1965 due to a smaller acreage. Unfavorable weather over most of Western Europe during the fall of 1965 caused a reduction in the area planted to winter grains and accentuated the upward trend in feed grain area during 1966. The decrease in area seeded to wheat and rye was largely offset by increases in barley and corn. The average yield of wheat in 1966 was less than the record yield in 1965 but yields of corn and rice were higher.

Wheat production in 1966 was estimated at about 40 million tons, over 5 million tons less than the record wheat crop harvested in 1965. The decrease in wheat production was due primarily to a 6 percent decline in acreage. Austria, West Germany, Spain, and Switzerland were the only countries in Western Europe with larger wheat harvests in 1966 than in 1965. In France, which usually accounts for about one-third of the crop in Western Europe, wheat production in 1966 was 3.5 million tons (or one-fourth) less than in 1965. Wheat production also declined markedly in Italy, Portugal, Sweden, and the United Kingdom.

Production of rye continued to decline due to smaller acreages in most countries and reduced yield in some countries. Decreases in yield and production were sharpest in the Netherlands, Denmark, and Sweden. West Germany, which normally produces over half the rye in Western Europe, also experienced a decline.

Barley production was about 32 million tons in 1966, 6 percent larger than the crop harvested in 1965--itself a record. This increase in production was due to an increase of 8 percent in barley acreage in 1966. The large increase in barley acreage was primarily due to the seeding of barley in the spring on land which could not be planted to winter wheat because of wet weather during the fall of 1965. The barley crop was up in all of Western Europe except Belgium, Italy, Norway, Portugal, and Sweden.

Corn for grain in Western Europe is produced mainly in Italy and France, but increasingly in Portugal and Spain. Total corn production of almost 10 million tons was 1 million tons larger than in 1965; the acreage planted was up 6 percent. Domestic corn is rapidly taking a prominent place in the feeding program of European farmers.

Total production of rice in Western Europe increased about 20 percent in 1966 to nearly 1.5 million tons, more than erasing the drop in 1965. Rice acreage in 1966 was 3 percent larger than in 1965. Rice is produced in the Mediterranean countries; almost half of the total is produced in Italy, which had an unusually good crop in 1966.

About 61 million tons of potatoes were produced in 1966, about the same as in 1965. However, potato production in Western Europe

[13] Revised series computed by the Economic Research Service using regional commodity production totals and regional price weights.

has been declining during the past decade. Potatoes are being displaced gradually as a livestock feed.

Production of sugarbeets in 1966 was 61 million tons, about the same as in 1965. Sugarbeet acreage in 1966 was somewhat smaller than in 1965 due to a planned acreage reduction in France. Only three countries in Western Europe produce cotton: Greece, Italy, and Spain. Cotton production in 1966 increased, due largely to an expansion in acreage in Spain. Yields of cotton in Spain were somewhat lower than in 1965. Tobacco production in 1966 was 5 percent below the crop in 1965, dropping further behind the 1964 record. Tobacco acreage in Greece declined in 1966 and some blue mold damage occurred in Greece and Spain. Olive production was greater than in 1965 due solely to increased output in Spain.

Production of fruit in Western Europe was generally better than for 1965. The fruit crop in the EEC was a record. The 1966 harvest of grapes for wine was smaller with production down in France, West Germany, and Italy, but up in other countries, particularly Spain. The 1966 vintage promises to be excellent.

Red meat production inched up in 1966 to 14.2 million tons. The increase from 1965 was due almost entirely to increased production of beef and veal. Mutton and lamb production also increased somewhat, but pork output declined slightly.

Western Europe's total beef and veal production seems to be recovering from the declines of recent years. In 1966 the total of 5.9 million tons was 5 percent greater than in 1965 and 3 percent above 1964.

The production of pork in 1966 fell slightly short of the record 1965 production but was still 4 percent higher than in 1964. Production moved downward in the major pork producing countries of West Germany, France, the United Kingdom, and Denmark. Italy and Spain showed considerable expansion.

Increased supplies of beef and poultry are expected to preclude any substantial increase in pork prices in early 1967. Pork will continue in short supply into 1967 with an upswing expected later in the year.

Poultry meat production increased 2 percent in 1966, continuing the upward trend of recent years, particularly in the production of broilers. Production of milk was up slightly in 1966, as most countries expanded output marginally.

AGRICULTURAL TRADE

Western Europe's trade in agricultural products continued to increase rapidly in 1965. Agricultural exports in 1965 rose 8.3 percent over the level of the previous year, and reached $8.9 billion--15 percent of total exports valued at $77.3 billion. Major agricultural exports were fruits and vegetables, meat and meat preparations, and dairy products and eggs. Livestock and livestock products accounted for one-third of the total value of agricultural products exported.

Agricultural imports rose 4 percent in 1965 over the previous year to reach $21.5 billion--almost one-fourth of total imports valued at $88 billion. Some of the major agricultural imports in 1965 were fruits and vegetables, cereal and cereal preparations, and meat and meat preparations. Imports of livestock and livestock products exceeded $4 billion in 1965.

The EEC is the most important area in Western Europe in terms of agricultural trade as well as total trade. In 1965, the EEC countries accounted for $5.5 billion or 62 percent of the agricultural products exported by West European countries, and for $12.0 billion or over half of the agricultural products imported. Within the EEC, West Germany and France remained the largest importers of agricultural products in 1965, and the Netherlands and France were the major agricultural exporters.

EFTA countries accounted for most of the remainder of the agricultural trade in

Western Europe. In 1965, about 25 percent of the agricultural exports and 38 percent of the agricultural imports by West European countries were accounted for by EFTA members. Of the members, the United Kingdom is by far the most important importer and Denmark the leading exporter of agricultural products.

The value of U.S. agricultural exports to Western Europe continued to increase in 1965, reaching $2.4 billion. Almost two-thirds of these exports went to the EEC countries and more than one-fourth to the EFTA countries. The most important U.S. agricultural exports to Western Europe in 1965 were feed grains, oilseeds and oilseed cake and meal, and tobacco.

Exports of animal feedstuffs from the United States to Western Europe increased sharply in 1965. The increase in feed import requirements in Western Europe was due primarily to the relatively poor feed crop harvested in 1965, the continuing rapid increase in demand for livestock products, and the rebuilding of herds following the heavy slaughter in 1964. Exports of U.S. feed grains to Western Europe in 1965 reached almost $700 million, 41 percent more than in the previous year. In 1965, the value of U.S. exports of oilseeds and oilseed cake and meal was almost $500 million, about one-fifth higher than in 1964. Feed grains, oilseeds, and oilseed cake and meal accounted for half of U.S. agricultural exports to Western Europe in 1965.

U.S. exports of certain other major agricultural products to Western Europe increased significantly in 1965. Exports of fresh and processed fruit increased almost 20 percent in 1965 to a new high of $141 million. Also, exports of hides and skins from the United States increased nearly one-tenth to $42 million in 1965.

Exports of some U.S. agricultural products to Western Europe fell in 1965, so that total U.S. farm exports to Western Europe rose only 3 percent, compared with a 15 percent rise in 1964. Exports of U.S. cotton to Western Europe in 1965--at $115 million--were less than half their value in 1964. Exports declined because of effective competition from other cotton exporters, competition from man-made fibers, and a sluggish textile industry in some European countries. Exports of U.S. tobacco, dairy products, and animal fats each declined by $30 to $40 million in 1965. Increased production of dairy products in Western Europe, and a reduction in supplies in the United States were primarily responsible for the decrease in U.S. exports of dairy products. Exports of U.S. wheat and flour to Western Europe continued to decline in 1965 although European imports of wheat and flour from other countries increased.

U.S. agricultural exports to Western Europe should continue to increase during 1966/67. Imports of wheat and flour in 1966/67 by Western Europe probably will be at roughly the same level as the year before. Although the wheat crop in Western Europe was about one-tenth smaller than in 1965, the quality was better. This improvement in quality, together with the larger barley crop, is expected to result in less wheat being used as livestock feed. Also, much of the decline in wheat production was in France which will be reflected mainly in a reduction in wheat exports.

Imports of feed grains by Western Europe in 1966/67 are expected to decline somewhat from the high level in 1965/66. Production of feed grains, particularly barley, and forage increased in most West European countries in 1966. However, increased feed requirements to meet expanding livestock production and an expected decline in the amount of wheat fed to livestock will largely offset the increase in domestic feed output. Feed grain imports by the United Kingdom are expected to decline significantly as an increase of over one-tenth in feed grain production will more than offset the growth in domestic feed requirements.

U.S. exports of oilseeds and oilseed products to Western Europe will likely remain near the 1965/66 level, as demand should continue at a high level in 1966/67. Imports of oilseeds by Western Europe in 1966/67 are expected to be about equal to those in 1965/66. A slight decrease in imports of vegetable oils in 1966/67 is likely because of the significant increase in production of olive oil in the Mediterranean Basin, particularly in Spain, and larger production of sunflowerseed and rapeseed in some European countries. Imports of oilseed cake and meal will be stimulated by favorable livestock/feed price ratios, improved feeding practices, and increased livestock numbers in Western Europe. However, oilseed cake and meal is encountering strong competition from fishmeal.

Imports of U.S. animal fats by Western Europe are not expected to increase significantly in 1966/67. Requirements for animal fats are being met through increased domestic production and greater use of fish oil. Also, synthetic materials and vegetable oils are being substituted for animal fats in making detergents. However, the use of animal fats in livestock and poultry feed is rising in Western Europe.

U.S. exports of tobacco and cotton to Western Europe will likely recover somewhat in 1966/67. Despite heavy competition from synthetic fibers, the outlook is for a moderate increase in imports of cotton by Western Europe. The textile industries in France and Italy are recovering from a recession and are expected to require more cotton. A substantial increase in consumption of cotton in Spain during 1965/66 suggests a possible further increase in 1966/67. Most other countries in Western Europe are likely to use as much, if not more, cotton in 1966/67 as in 1965/66. Smaller supplies of cotton in other major producing countries and the more favorable price under the U.S. cotton program should enhance U.S. cotton exports. Despite competition from suppliers of lower-quality and lower-price tobacco, prospects for U.S. tobacco in Western Europe will be enhanced by continuing sanctions against Rhodesia.

A moderate decline in U.S. exports of fresh citrus and apples because of higher production in Western Europe will likely be offset by increased exports of processed fruits and juices. Exports of variety meats to Western Europe in 1966/67 should increase because of increased supplies of pork variety meats in the United States. Prospects remain relatively good for a continuation of the high level of U.S. exports of turkeys, poultry parts, and packaged items to Western Europe. Increased production in Western Europe and reduced supplies as well as higher prices for U.S. dairy products will continue to limit the U.S. market for these products in Western Europe.

COMMON MARKET SITUATION

Following 7 months of stalemate resulting from the French boycott of most Community meetings--largely the result of disagreement on the political issue of supranationality--the European Economic Community[14] progressed toward completion of its Common Agricultural Policy (CAP) in 1966. France resumed active participation in Common Market meetings on January 17, 1966. Later that month France obtained Council agreement that on important matters subject to majority vote, maximum effort should be made to reach an agreement acceptable to all member states. The other members also agreed to modified versions of French proposals for "improving" relations between the Council and Commission--a major point being the "desirability" of consulting each member country prior to presenting important proposals to the Council.

Despite continuing disagreement on some goals, agreement was obtained on financing of the European Agricultural Guidance and Guarantee Fund, the institution which underwrites the Common Agricultural Policy. Agreement was also reached in July on common prices for milk, beef and veal, rice, oilseeds, olive oil, sugar and sugarbeets, as well as market regulations for fats and oils, the fundamentals of a sugar regulation, and a

[14] Members are France, West Germany, Italy, Netherlands, Belgium, and Luxembourg. Associate members are Greece and Turkey. Also, an association agreement was recently signed with Nigeria. Unless otherwise indicated, the following discussion pertains only to the six members and the terms Common Market, European Economic Community, and Community are used interchangeably.

supplementary fruit and vegetable regulation.

The Council of Ministers agreed on May 11 to financial regulations for implementing the CAP,[15] the matter which ostensibly precipitated the 1965 crisis. The agreement provides that from mid-1967 to 1970, roughly half of FEOGA's funding will come from levies on agricultural imports from nonmember countries and about half from treasury donations from member states according to the following formula: France, 32 percent; West Germany, 31.2 percent; Italy, 20.3 percent; the Netherlands, 8.2 percent; Belgium, 8.1 percent; and Luxembourg, 0.2 percent.

On the expenditure side, the "Guarantee Section" of the Fund will assume the full cost of all internal market or export subsidies on farm products for which EEC-wide price or market regulations exist on July 1, 1967. The "Guidance Section" of the Fund--for structural improvement of Community agriculture--will be limited to $285 million. Total annual FEOGA expenditures are estimated to reach $1.6 billion as early as 1968. The Council decided in July to establish a new section of the Fund to deal with food aid. Within a limit of a half-million tons of food, the cost will be shared by the member countries according to roughly the same formula as used to compute treasury donations to FEOGA. West Germany--the largest farm product importer--will sacrifice the most and France and the Netherlands--the leading agricultural exporters--will reap the largest net gain from FEOGA. West Germany was able to obtain a quid pro quo in the form of advancing the target date for free internal movement of industrial products to July 1, 1968, or 18 months ahead of the Rome Treaty schedule. This date will also apply to free internal movement of agricultural products and to the full imposition of the Common External Tariff (CXT). Some member countries maintained that their final approval of the financing "package" was contingent on a decision on common farm prices and the tabling of acceptable agricultural offers by the Community in the Kennedy Round.

In a marathon session ending at 5:00 a.m., on July 24 an agreement was hammered out on common prices for a number of commodities.[16] The prices of these commodities were necessarily based on the grain prices set in December 1964. Consideration was given to the effect of various price levels on the output mix, there being considerable opportunity for re-allocating inputs, especially land, among the various commodities--possibly with undesirable effects. This required an analysis of output levels under different historical price relationships.

For example, the Commission estimated that a beef/milk price ratio of about 7 to 1 or higher would provide incentive for livestock producers to increase beef more rapidly than milk production. Since the Community currently has rising milk surpluses and a substantial beef deficit, this relationship was critical. Consumer prices and world trade implications were also considered.

The Council admits that the common price established for milk--3 percent above Commission proposals--will guarantee a higher average income for Community dairy farmers. The beef/milk price ratio (6.80:1), resulting from the beef and the milk price decisions, is less favorable to beef production than some considered desirable. Council decisions also provide market support for some cheeses and casein and threshold prices for dairy products. The threshold prices for products are based on their milk content plus a sum to protect domestic processors. Under certain conditions, consumption of certain products may be subsidized degressively until 1970. The basic milk marketing regulation has been operative since February 1964, except for arrangements for intra-Community trade in fresh milk.

[15] For a detailed discussion of the present status of the CAP, see Foreign Agriculture, August 15, 1966, pp. 7-10.

[16] For more detailed information on the common prices and the timetable for their application see Foreign Agriculture, June 27, 1966, p. 7; and August 22, 1966, p. 5.

The basic beef and veal marketing regulation came into force in November 1964. The beef guide price agreed to in July 1966 is below 1964/65 market prices in West Germany and Italy and only 2 to 9 percent higher in the other EEC countries. The guide prices for beef and veal must be reviewed by October 1, 1967.

Patterned after the marketing regulation for other cereals, the rice regulation became effective in September 1964. The common price for rice is based somewhat upon the corn price (established in December 1964), as these grains compete for land in Italy and France--the only producer countries. The July Council decision also embraced arrangements for duty-free rice imports from Madagascar and Surinam for 1966/67.

The new and complicated sugar regulation and common sugar price levels may enable farmers to expand production. Since 1961, sugar output in the EEC has averaged 5.72 million tons, 6 percent above domestic consumption. The price supports for sugar under the July decision are combined with a liberal quota--6.48 million tons for the EEC--for each country as follows (in million tons): France, 2.4; Germany, 1.75; Italy, 1.23; Netherlands, 0.55; and Belgium-Luxembourg, 0.55. These quotas are parceled out to individual factories according to their average output in the previous 5 years. The factories must buy all beets produced within the quota at $17 per ton. In addition, FEOGA guarantees producers the full price for beets up to 5 percent in excess of estimated consumption. Between this amount and 135 percent of the quota, the sale of beets is guaranteed but the minimum producer price drops to $10 per ton. Production in excess of 135 percent of the quota may not be sold internally but must be exported by the producer. Prices for sugarbeets will be regionalized later, granting some advantages to Italy. Italian beet producers will further receive a subsidy of $1.10 per ton and sugar manufacturers $1.46 per ton. Threshold prices will be decided later. Cane sugar and molasses are also covered by the price system.

As with sugar, the market regulation and the common prices were decided simultaneously for olive oil and oilseeds. Oilseeds covered are colza, rape, and sunflower. The regulation also applies to oil cake, margarine, and marine oils. The unified prices will be fixed annually for a standard quality with a premium or discount for other grades.

In addition to the "norm" price for olive oil producers, target and intervention prices and a threshold price will be fixed annually. If the "norm" price is above the target price, producers will receive the difference as a subsidy. The intervention agency may create "buffer" stocks for market stabilization. For oilseeds grown and processed in the Community, a subsidy will be given equal to the difference between the target price and world market prices. The common prices for olive oil and oilseeds are substantially above both Commission proposals and prevailing prices. The higher oilseed prices may represent an attempt to prevent a switch to competing crops (e.g., sugar beets and wheat). In order to regulate marketing, target and intervention prices are increased monthly by equal amounts from January to November for olive oil and by at least five monthly installments for oilseeds during the marketing year.

The new fruit and vegetable regulation--adopted at the insistence of Italy that she be granted benefits similar to those of other member states for other products--provides for (1) promotion of organized marketing through the establishment of producer cooperatives, (2) a "crisis" intervention system, and (3) export subsidies under specified conditions. The regulation will be transitional, applying from January 1, 1967, until December 31, 1969. FEOGA will finance the scheme to a limit of about $60 million annually, of which $40 million will go to Italy alone.

The establishment of co-ops is left to the producers' initiative, although aid will be provided in the formative stages--half by the member states and half by the "Guidance Section" of FEOGA. A major function of co-ops, in addition to modernizing marketing and improving the farmers' bargaining power, will be "pre-intervention" to remove surpluses from the market when prices slump to the "buying" price--predetermined by the co-ops themselves. These purchases will be financed by an "intervention fund" to which members themselves contribute.

During a "state of crisis," intervention is financed by FEOGA. For this purpose, a "basic" price (for the most surplus area) is calculated from the arithmetic average of the previous 3 years' prices on representative markets (not yet chosen). An intervention or a "buying-in" price is set at 60 to 70 percent of this basic price for all products covered except apples and pears (50 to 55 percent) and cauliflower and tomatoes (40 to 45 percent). Until the end of the 2-year transitional period the member states can fix buying-in prices not to exceed 70 percent of the basic price. A "state of crisis"--when prices on representative markets fall below the "buying-in" price plus 15 percent of the basic price for three consecutive marketing days--must be declared by the member country to initiate intervention by the co-ops. A "state of crisis" ends when market prices are above "crisis" level for three consecutive days. Beginning with 1970, the Commission instead of the member states will declare that a "state of crisis" exists.

If these measures fail and fruit and vegetable prices fall below the "buying-in" price for three consecutive days, a "real crisis" is declared. All member countries then assume the responsibility for full financial compensation to farmers.

Intra-Community trade in all fruits and vegetables covered by the regulation must be completely free by July 1, 1968. The regulation also provides for export subsidies for a special list of products, including canned and some other processed fruits and vegetables. Subsidies are to be paid when exporting nonmember countries practice dumping of the same commodities on world markets and may not exceed the amount of the CXT (increased, if applicable, by countervailing charges). The subsidies may be applied until 1970 when new arrangements will have been made.

The security afforded producers by the new fruit and vegetable market regulation may result in rising production and intermittent surpluses, particularly in Italy. Prices usually collapse in some producing region during a marketing year. Production is closely correlated to weather conditions, complicating attempts to achieve market stability.

Briefly stated, the new marketing regulations and high level of common prices may be expected to spur agricultural output and increase protective barriers around EEC agriculture.

Further regulations are planned for the near future for tobacco, wine, nonedible horticultural products, and processed foods. A tobacco CAP will probably include provisions for support buying, deficiency payments, and import licensing. For wine, the regulation probably will provide quality and appellation control. Export subsidies are planned for processed foods to offset the higher cost of raw products on the Community market when compared to those on the world market. Harmonization of food and plant and animal health laws is also planned. So far, only minimal progress has been made in setting minimum sanitary control standards for live cattle and swine; establishing sanitary regulations for fresh, chilled, and frozen beef and pork; defining standards for residues of pesticides, coloring agents, and feed additives; and formalizing standards for meat imports from nonmember countries. EEC regulations tend to be quite rigorous and often require identical rather than equivalent standards.

A major decision still must be made on the subsidies and other forms of assistance that member countries are permitted to give to their own agriculture beyond that provided by the CAP. Planned common policies on vast areas of socio-economic concern will also affect the agricultural sector.

During 1966, there were several important developments besides those in the field of new regulations or the establishment of common prices. The common grain price agreement of December 1964 required a review of prices by July 1, 1966. No changes were made, as there had been no significant unforeseen developments in the grain market.

In June, the Council approved a seed and seedling marketing directive, setting minimum quality standards for sugarbeets, forage, and cereal seed, seed potatoes, and forestry seedlings. The standards for agricultural seeds must be implemented by July 1, 1969, by the national governments and may be supplemented by them.

In a matter indirectly related to the CAP, the Council provided for an extensive EEC-wide survey of farm structures. Both aspects of the structure of agriculture--the structure of farms and the overall pattern of farming--will be studied. The survey results, expected in 1968, will provide a better basis for agricultural policy formulation, with uniform data for all six members. After completion of this survey, a number of special surveys will be carried out on agricultural labor, finance, land tenure, contract farming, mechanization, and crop- and livestock-raising conditions.

The GATT (General Agreement on Tariffs and Trade) tariff negotiations had been slowed down by the EEC crisis until the Council agreed in April on certain offers on chemicals and aluminum. The July decisions on common agricultural prices permitted the EEC to submit its initial agricultural offers, although they were disappointing to major trading partners. Agreement to table offers for poultry, tobacco, sugar, and fruits was delayed until December 22, 1966--following the GATT deadline by about a month. Then the magnitude of the offers failed to inspire much enthusiasm. The world's major agricultural exporters--led by the United States--have been attempting to gain some assurance of improved export prospects for commodities deemed critical to their agricultural sectors. The objective of the Trade Expansion Act was a 50 percent across-the-board tariff cut. As the Community approaches the final phase of the negotiations, it must decide the extent to which it is willing to reduce protection on agricultural imports and cooperate with its trading partners in finding a solution to the world grains problem in the form of an international agreement.

During 1966 there was an upsurge in diplomatic soundings concerning accession of various countries to the Common Market. Notably, there have been statements from both sides regarding a renewal of talks with the United Kingdom. Other European Free Trade Association (EFTA) countries including Denmark, Sweden, and Austria have expressed new interest in some form of membership or association, as have Spain, Israel, and Ireland. Most EFTA countries, however, prefer to await the outcome of any United Kingdom entry negotiations.

The United Kingdom is now attempting to assess the chances for successful negotiations on entry. The terms under which the United Kingdom would be accepted by all six members--as well as its own terms for accession--are not yet clear. France's attitude toward U.K. membership in the EEC is a crucial factor.

An association agreement was signed with Nigeria in July. The Nigerian agreement provides for preferential access by EEC countries to the Nigerian market for a limited number of commodities and preferential access for Nigerian exports to the EEC, limited by quotas, for several commodities. The agreement has not yet entered into force.

An East African delegation (Tanzania, Uganda, and Kenya) held talks with the Commission in November. These talks were inconclusive, apparently due to EEC insistence on reciprocal preferences from East Africa.

Aside from the Nigerian agreement and renewed talk about association or membership of other countries, nothing concrete transpired in 1966. None of the details of possible Austro-EEC association have been settled and negotiations have just been resumed. Two problems are Austria's neutrality policy and provisions in the State Treaty for the prevention of any joining or merging of Austria with Germany. The Common Market--preoccupied by internal matters and the GATT negotiations--has not been in a hurry to either adopt a broad policy on association or to approach the several initiatives piecemeal.

The establishment of the customs union is nearing completion 18 months ahead of the schedule set by the Treaty of Rome. Internal industrial tariffs now stand at 20 percent of their original level. The Council decided upon a further 5 percent cut on July 1, 1967, and elimination of industrial tariffs on July 1, 1968, the date when the CXT will go into effect. The second alignment of the CXT--not applicable to levy items--was made at the start of the third stage of the transition period (January 1, 1966). However, in anticipation of the Kennedy Round, it was made on the basis of the CXT reduced by 20 percent for products on which the Community planned to submit offers. This action is valid until June 30, 1967, when extension will depend upon the outcome of the Kennedy Round.

The future level of EEC-U.S. agricultural trade depends significantly upon the outcome of the agricultural negotiations in the Kennedy Round. Obviously, such a mutually profitable trade will continue, but its level can be greatly influenced by the negotiations. Indications are that the CAP will continue to develop in a highly protectionistic manner and that any easing of restrictions will be difficult to achieve. (Robert E. Shepherd)

EASTERN EUROPE

AGRICULTURAL PRODUCTION

Agricultural production in Eastern Europe moved to a new higher level in 1966, 6 percent above 1965 and 22 percent above the 1957-59 average. This was a further step upward from the stagnation in output typical of the late 'fifties and early 'sixties. Agricultural performance in 1966 reflected very favorable weather in some countries during the year, but also improvements in the availability of productive inputs, higher farm prices and incentives, and a generally more serious effort on the part of East European governments to increase farm output.

The Danubian countries of Bulgaria, Romania, and Yugoslavia registered major gains, due in large part to exceptionally favorable weather. A good summer with adequate moisture replaced the drought which hit these countries in 1965. More modest gains were registered in the northern countries of Poland and East Germany, while Czechoslovakia and Hungary showed considerable recovery from the poor results in 1965.

Total grain production rose over 8 percent in 1966, the largest of a continuous series of increases in grain production since 1962. Wheat production rose slightly less than 3 percent, offsetting a slight decline in rye output. Wheat production in the region has varied between 9.8 and 10.3 million tons between 1962 and 1966. Barley and oats output was slightly above the good 1965 level while corn production reached a new record of just over 22 million tons. The total grain area was up slightly over 1965, but not significantly different from the past 5 years. The area of wheat and rye has changed little since 1962 while a decline in the oat area has been offset by increases in the area sown to barley and corn. Increases in yields are therefore the major factor in increased grain production.

Potato production was up sharply in 1966, but still below the peak 1964 level. Sugarbeet output was up about 13 percent and slightly exceeded the 1964 peak. Oilseed output reached a new peak with increased output of sunflowers, the dominate oilseed crop in the southern countries, offsetting a decline in production of rapeseed, which dominates in the northern countries. Tobacco production was up slightly in 1966, but did not reach the 1964 level. This was also the case with the limited cotton output of the region.

Meat production changed little in 1966, reflecting drought in the southern countries and feed supply shortages in Czechoslovakia and Hungary during 1965. Milk production, however, reached a new peak as did butter, eggs, and wool. Livestock numbers in 1966 were remarkably similar to those of 1962, except for the clear decline in goats and horses. However, changes in numbers did take place during the period; cattle numbers declined and then recovered while hog numbers fluctuated considerably. In some instances the level of herds in 1966 represents an improvement over the conditions prevailing a year or two ago.

AGRICULTURAL POLICY

Agricultural policy in Eastern Europe during 1966 involved primarily giving more substance to the 5-year plans of each country (for the period 1966-70) and furthering economic reforms. Although significant natural and organizational differences distinguish these countries, the plans for 1966-70 and the economic reforms have many features in common, including a general upward movement in the supply of productive inputs, a greater interest in the use of economic levers to stimulate output, and a variety of changes in the operation and management of agriculture. The new 5-year plans, as a rule, indicate a downward revision in the planned increase in output to be achieved, reflecting greater "realism" in the planning process. There is remarkable similarity between the plans of many of these countries and those of the Soviet Union, although economic and natural conditions in each would not suggest any particular justification for such similarity.

Yugoslavia continues to lead the region in economic reform, with many measures introduced there in 1966 designed to bring closer to a working economic system the idea of "market socialism"--an economy which remains basically socialistic, with the ownership of property and control over distribution being largely vested in the Government, but with customary economic levers such as prices, wages, rents, profits, and interests dictating, along with supply and demand, the allocation of productive resources.[17] In varying degrees the other countries also have moved further away from rigid controls over economic operations, but with reforms taking place less rapidly in agriculture than in other sectors. Romania generally lags the furthest behind in introducing reforms in agriculture, due probably to its relatively good resource base, while more far-reaching steps are being introduced or experimented with in Hungary, Czechoslovakia, and Bulgaria.

The general objective embodied in the plans of the various countries of the region is to raise agricultural production through supplying larger quantities of productive inputs--fertilizer, machinery, and other capital--raising farm incomes and farm workers' incentives, and increasing productivity and efficiency by allowing agriculture to work under fewer direct controls than existed previously. Increased grain production--both food grains and feed grains--is a primary objective of the plans of each country of the region. Poland and Yugoslavia, which have been heavy importers of grain in recent years, want to eliminate the need for such imports. East Germany and Czechoslovakia have little chance of reducing their dependence on grain imports. In general, the objective of most countries is to become less rather than more dependent upon agricultural imports of certain domestically produced crops, reversing the trend of recent years, and they want to increase, if possible, exports of agricultural commodities.[18]

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[17] See Table 20 (in Appendix), for data on socialization of agriculture in 1965 in the countries of Eastern Europe and in the Soviet Union.

[18] Although these plans show considerably more realism than earlier ones and can be expected, if fully implemented, to produce improvements in output and efficiency, USDA studies indicate that grain self-sufficiency is highly unlikely for Poland and Yugoslavia during this decade. Moreover, economically efficient agricultural production in these countries would require considerable reliance on trade in agricultural products. See The World Food Budget, 1970, Economic Research Service, FAER-19.

FOOD SITUATION

The supply of food was considerably better in Eastern Europe during the last half of 1966 than during 1965, reflecting much higher production in some countries or 2 years of improved production in others. Czechoslovakia and Hungary, which suffered considerable difficulties in 1965, improved their situation. A major improvement in food supplies took place in Bulgaria and Yugoslavia, while East Germany, Poland, and Romania improved their already relatively good situation. With certain exceptions the improvement in diets evident over the past decade--but with a slump in the early 'sixties--continued in 1966, and in general food supplies during 1964-66 were considerably better than during 1961-63.

AGRICULTURAL TRADE

Agricultural trade patterns in Eastern Europe have reflected the generally improved performance of the region since 1964. The decline in exports and the sharp increase in imports of foodstuffs which took place in the region in 1964 was altered in 1965 with exports of foodstuffs by the region increasing and imports remaining at about the 1964 level. As a result of 1966 agricultural performance, 1967 should show export increases and some decline or no significant increase in imports of foodstuffs.

The generally good supply of livestock feed in the southern countries of the region will be reflected in less pressure to import feed grains and there will undoubtedly be some increase in feed grain exports by Romania and Yugoslavia. High levels of wheat production in these southern countries in both 1965 and 1966 has undoubtedly reduced the pressure for imports of wheat. On the other hand, in the northern countries of the region--East Germany, Poland, and Czechoslovakia--output of both food grains and feed grains was about the same or below 1965; a continuation of, or slight increase in, their usually sizable demand for these grains is likely.

The Soviet Union is able, as a result of its exceptionally good 1966 wheat crop, to fill a major portion of the needs of the northern countries for wheat. Exports of 1 million tons of wheat to Poland were announced by the USSR for 1967 delivery, and East Germany and Czechoslovakia have reported that the USSR will ship them close to its customary 1 million tons of wheat each during 1967.

U.S. agricultural exports to Eastern Europe fell from \$265.3 million in 1964 to \$176.8 million in 1965, while U.S. agricultural imports from the region rose from about \$51.9 to over \$66.8 million. U.S. exports of agricultural commodities to Bulgaria, East Germany, Hungary, and Poland declined while exports to the other countries rose.

There was a sharp reduction in U.S. grain exports to Eastern Europe during 1965, especially wheat exports. Cotton and tobacco exports also fell in 1965. However, increases took place in U.S. exports of grain sorghums, flour, fruit and vegetables, other animal feeds, hides and skins, and soybeans. U.S. imports of meat and preparations, fish and preparations, spices, other food products, and wool from East European countries increased in 1965, while imports of fruit and vegetables, hides and skins, and furs declined.

SITUATION BY COUNTRY

WESTERN EUROPE

AUSTRIA

Economic situation: GNP real growth rate is estimated at 4 percent for 1966, compared with a rate of 3 percent in 1965. Following vigorous expansion in the spring, the growth of Austria's national economy began to moderate by mid-1966. Business continued at satisfactory levels in the fields of exports, retail trade, tourism, and transport. Industrial production was up 4 percent and construction activity 9 percent from a year earlier. Private consumption (in real terms) rose an estimated 6 percent in 1966. The volume of investment in fixed assets in 1966 is estimated to have increased 8 percent.

Inflationary pressures continued during 1966. Unemployment was at a low level and the tight situation in the labor market persisted despite an increase in the number of foreign workers. During the first half of 1966, wages and salaries increased about 10 percent. The cost of living during 1966 increased by about 3 percent.

Austria's outflow of foreign currency reached $49 million in the first 6 months of 1966, compared with a net increase of $8 million in the corresponding period of 1965. As of August 1966, gold and convertible foreign exchange reserves amounted to $1,282 million.

Agricultural production: The 1966 spring season was especially favorable for the planting and growth of grains, root crops, vineyards, and field vegetables. Commercial orchards showed an excellent fruit set. Grazing lands in the mountainous areas were in extremely good condition. Shortly before harvest, weather conditions deteriorated, but little serious crop damage occurred in the important producing areas. Official crop estimates indicate record yields for almost all grains and nearly all other crops. The output of bread grains in 1966 was about 1.3 million tons and feed grains about 1.4 million tons. These levels of output were 15 percent and 22 percent, respectively, over the previous 5-year averages. Production of other crops was up substantially from 1965: pulses increased 85 percent; sugarbeets 47 percent; tobacco, 17 percent; fodder beets, 20 percent; and potatoes, 7 percent.

The Austrian livestock industry in 1966, in some cases, reversed its previous production trends. Pork production, after a long period of yearly increases, dipped 5 percent from the previous year's level. A partial potato crop failure in Austria in 1965 resulted in fewer hogs being produced and marketed during 1966. Output of beef in 1966, on the other hand, returned to a higher level (a 12 percent increase over 1965) after 2 years of decline. Production of poultry continued an upward trend, reaching a new record that was 9 percent larger than in the previous year. The production of both milk and eggs also increased moderately.

Agricultural policy: There was little change in Austria's agricultural policy during 1966. Financial support to agriculture continued at a high level. Funds appropriated for price and input subsidies in agriculture were increased by 8.6 percent to a record $123 million in 1966. Allocations for agricultural development under the Sixth Green Plan were cut in 1966 for the first time--from $26.3 million in 1965 to $22.4 million. These funds are in addition to the ordinary budget appropriations for administration of agriculture and forestry which amounted to about $60 million in 1966.

Funds were also made available for loans to farmers. In 1966, $46.2 million were allocated for low-interest agricultural investment loans, with emphasis on improvement of farm housing, mechanization of small holdings and farms in mountainous areas, and construction of farm roads and other transport facilities. Also, about $7 million were allocated as special agricultural investment loans for the purchase of farm machinery.

As of July 10, 1966, the fixed prices of imported feed grains were increased 4 to 5 percent to encourage greater domestic production. Prices of domestic feed grains are not officially fixed, but regulation of import prices of feed grains holds the prices of domestic grains at the desired level. For imported wheat and rye, minimum prices remained unchanged in 1966.

A large variety of farm products, including grains, livestock, meat, milk and butter, eggs, vegetables, and certain types of fruit are subject to export controls in order to protect Austrian consumers. In June 1966, export control was given exclusively to the Ministry of Agriculture. Formerly, control was shared with the Ministry of Interior.

Official price controls in the food wholesale and retail sectors currently cover a limited number of cereal products, such as dark bread and flour, specific dairy products, sugar, and imported lard.

The Market Regulation Act of 1958 and the Basic Agricultural Act of 1960, which govern the operation of the three marketing boards on grains, milk, and livestock, are due to expire soon. The extension of these farm bills is a formality, and no significant change in policy is expected.

Foreign trade: Austria's agricultural imports are subject to tariffs, quantitative controls, and bilateral agreements. Variable import fees may be charged in lieu of statutory tariffs by the three agricultural marketing boards.

A number of agricultural imports are subject to quantitative restrictions. Poultry imports from the United States in 1966 were subject to a quota of 2,100 tons. Durum or high-protein wheat imports are almost exclusively from Canada. Currently, Austria has 45 bilateral trade agreements.

Certain aids are provided in Austria to encourage exports of agricultural products. Export payments may include a basic payment as well as a sales tax refund. Exporters of cattle continue to receive additional aid in the form of partial refund of freight costs and compensation for animal weight losses while in transit. The Austrian dairy industry also provides a variety of subsidies to aid exports of butter and dried whole milk through the Milk Marketing Board.

During the first half of 1966, Austria's imports increased 17 percent and exports 7 percent from the 1965 levels, amounting to $1,151 million and $807 million, respectively. Thus the trade deficit was almost $350 million and exceeded the deficit during the corresponding period in 1965 by almost half. The EEC countries supplied three-fifths of Austria's total imports and took almost half of Austria's exports during this period. The corresponding share of EFTA countries was one-sixth and one-fifth, respectively. Trade with East European countries was up. Austrian imports from the United States during the first half of 1966 amounted to about $55 million, while exports to the United States totaled $35 million. These represented increases of 23 percent and 21 percent, respectively, from the values in the first half of 1965.

Although Austria's agricultural imports and exports in 1965 increased 15 percent and 38 percent, respectively, from 1964, U.S.-Austrian trade in agricultural commodities declined substantially. Austrian imports of U.S. farm products in 1965 were 27 percent lower than in 1964, amounting to only $25 million. Feed grains, cotton, and tobacco accounted for over 60 percent of these imports. In 1965, Austria's farm exports to the United States decreased 14 percent from the previous year, amounting to less than $2 million. Chief items were cheese, confections, and preserved fruits.

Austria is a member of EFTA, OECD, and GATT and is currently negotiating with the EEC for a form of trade association.

Outlook: The abundant crop production in 1966 should have a strong impact on Austria's foreign trade balance by lowering import requirements for 1966/67. The foreign currency savings on feed grain imports alone have been estimated at $27-$35 million. Preliminary estimates of 1966/67 import requirements are 85,000 tons of high-protein wheat, durum, and bread rye, and 500,000 tons of feed grains. These levels are 32 and 50 percent lower, respectively, than imports in 1965/66. The low estimate of imports of feed grains reflects a soft wheat surplus of close to 200,000 tons which is expected to be denatured for livestock feed.

Imports of slaughter hogs and pork in 1966/67 are expected to exceed previous levels as a result of the recent drop in domestic pork production. For per capita pork consumption to be maintained, imports of a half million slaughter hogs would be required in 1966/67. This would be three to four times the usual level of imports. Some substitution of beef and poultry for pork may occur due to the increased output of these meats. The tight world supply of pork and the relatively high prices will also tend to dampen pork imports. (Sheldon Tsu)

BELGIUM

Economic situation: Belgium in 1966 continued to experience a slowdown in economic growth accompanied by inflationary pressures. GNP real growth in 1966 slowed to less than 3 percent from 3.3 percent in 1965. Industrial production in 1966 increased 3 percent, about the same rate as in the previous year. Slack domestic demand was the primary reason for the slow pace. Reinforced restrictive measures introduced in mid-1966 to curb the rapid rise in prices and credit, coupled with rising labor costs, slowed the growth of private investment and domestic demand.

Despite the relatively slow pace of economic growth in 1966, the Belgian economy remained basically sound. Sluggish domestic demand continued to be partly compensated for by a rise in exports (14 percent in 1965 and an estimated 8 percent in 1966) and large private capital inflows. The "internationalization" of the Belgian economy within the EEC continued to attract significant foreign investments. In the previous year these amounted to $340 million, or twice the figure in 1964.

Despite the large outflow of public capital to meet outstanding foreign debts, the balance of payments of the Belgium-Luxembourg Union (BLEU) still showed a surplus of $173 million in 1965, as compared with $214 million in 1964. Gold and foreign exchange reserves of BLEU decreased $68 million during the first 9 months of 1966 but still amounted to $1,927 million at the end of September 1966.

There was a decrease in inflationary pressures in mid-1966. The rapid uptrend in prices and wages experienced in the early part of 1966 slowed in mid-1966 because of a decline in certain food prices. The cost of living rose by only 2.5 percent during the first 11 months of 1966 as compared with 3.1 percent in the comparable period in 1965. The retail price index in October and November 1966 was 130.9 (1953 = 100). Wholesale prices in August 1966 were only slightly higher than at the end of 1965. In September, the Government lifted the 3-month freeze on prices which was introduced in May 1966. Upward pressure on prices probably increased somewhat towards the end of 1966.

Agricultural production: The agricultural sector, which accounts for only 6 percent of GNP and 8 to 10 percent of total exports but still employs nearly one-tenth of the labor force, showed some improvement in 1966. GAP at constant prices increased by 3 to 4 percent after a 2.5 percent decline in 1965.

The livestock sector, which accounts for about two-thirds of GAP showed significant gains in 1966. The output of pork and beef was up 3 percent. The production of dairy products and poultry meat was also higher. Cattle numbers continued to increase, especially cows and heifers over 1 year old. The excellent pasture conditions were mainly responsible for the increase in livestock numbers and products.

In 1966, the output of most crops was lower than a year earlier because of unfavorable weather. Total production of grains was about 15 percent less than in 1965, but the 1966 crop was of better quality, particularly for wheat. Total grain acreage in 1966 was only slightly below 1965. The sown acreage of winter grain was considerably below that in recent years because of very poor seeding conditions and the late harvest in the fall of 1965. Production of wheat was smaller in 1966 than in 1965 due both to a reduction in acreage and to lower yields.

There was a 7 percent decrease in the production of feed grains, attributed mostly to a smaller barley crop than in 1965. Production of rye and oats in 1966 was considerably below 1965 as acreage and yields declined. Adverse weather during the growing season resulted in poor stands of grain and small head development.

The output of most root crops, except potatoes, was about the same as last year. Although acreage planted to beets increased slightly, production of sugarbeets was down 4 percent from 1965 because of a decline in yield. Potatoes, an important crop in Belgium, did poorly in 1966 because of reduced yields. Production of potatoes at 1.3 million tons in 1966 was nearly one-tenth below the low production in 1965. Poor soil conditions during the planting season and unfavorable weather during the growing season adversely affected potato production. The quality of the potato crop was also adversely affected by blight.

Peas and broadbeans are the principal pulses (dry legumes) grown in Belgium, and total production in 1966 approximated the level of 25,000 tons in 1965.

The production of fruits and vegetables was up in 1966. These contribute about one-fourth of the GAP.

Agricultural policy: There were no major agricultural policy changes in Belgium during 1966. The principal minor changes were those resulting from adaptation to EEC regulations. The major agricultural policy objectives in 1966 continued to be: (1) raising farm incomes; (2) increasing productivity; and (3) improving the quality of farm products to satisfy domestic demand and meet competition in foreign markets, particularly in the EEC. The Government continued to set prices for some agricultural products and provide loans and production subsidies to farmers for modernization of farms and increased farm production.

Foreign trade: Belgium[19] is not an important exporter of agricultural products. Agricultural exports by Belgium contribute about one-tenth of total exports. The most important agricultural exports are fresh vegetables. Belgium is generally a net exporter of hogs, pork, poultry, and eggs, but a net importer of dairy products, principally cheese.

Belgium depends on imports for a substantial part of its supply of most crops. Agricultural products account for about one-fifth of total imports. In recent years, Belgium

[19] Data include trade of both Belgium and Luxembourg.

has imported about a third of its wheat and three-fifths of its feed grain supplies. It also imports a large part of its fruit supply, almost all of its vegetable oils and tobacco, and all of its supplies of cotton, coffee, and other tropical products.

The dairy, poultry, and hog industries all use substantial quantities of imported feed concentrates, mostly feed grains and oilcake. Hogs and poultry get most of the imported feed, but dairy cattle get a substantial portion of the oilcake.

About four-fifths of Belgium's total agricultural exports go to Western Europe, including two-thirds to other Common Market countries. Of their agricultural imports, about one-third comes from Western Europe, including one-tenth from the EEC. Imports of U.S. farm products are also increasing, amounting to $176 million, or almost one-sixth of total agricultural imports in 1965.

Outlook: The Belgian economy is expected to improve in 1967. The economy will be stimulated by the public works sector and by the relocation of NATO. The program for public investments amounts to $900 million in 1967, $140 million more than in 1966.

Belgium is an important market for U.S. agricultural products. In 1965/66, exports of U.S. agricultural products to Belgium were a record $183 million, nearly 20 percent over the previous year. Of the total, $102 million was for cereals and preparations, and about $25 million for soybeans. Belgium was the eighth best dollar market for U.S. agricultural products in 1965/66.

The Belgian market for U.S. agricultural products in 1966/67 could well exceed the record in 1965/66. Import requirements in Belgium for corn and sorghum will be higher in 1966/67 as a result of an increase in livestock numbers and a decrease in production of feed grains in 1966.

The United States is normally Belgium's main supplier of feed grains. However, with apparently a record crop of barley in the EEC and a fair corn crop, imports from non-EEC countries may face stiff competition. But, with less low quality wheat for feed available in Belgium and in other EEC countries, the overall market should remain good.

Imports of wheat are expected to increase in 1966/67 because of the large decrease in domestic wheat output in 1966. Competition among exporters of wheat to Belgium is expected to increase. A separate division under the Belgian Millers' Association has been set up to purchase wheat jointly for several millers and to supply the imported wheat to these mills at the best possible price.

The demand for oilseed meal will continue to expand in 1966/67, with the United States sharing in this growth. Imports of U.S. cotton and tobacco will probably be up in 1967 while the market for U.S. canned fruits will continue at about the 1966 level of $7 million. (James Lopes)

DENMARK

Economic situation: Growth in real GNP has continued to slow down from the peak rate achieved in 1964. In 1966, real GNP increased 3 percent, compared with 4.5 percent in 1965. The overall expansionary trend was dampened in the 2-year period 1965-66 by monetary and fiscal restraints--specifically, increased interest rates, credit restrictions, and higher excise taxes. However, in January 1966, the cost of living was 8 percent higher than in January 1965.

A rise in the price index in the first half of 1966 triggered a general wage escalation which contributed to an estimated increase of 10 percent in wages. This may stimulate a growth of private consumption expenditures, particularly in home building, testing the effectiveness of anti-inflationary economic policy--especially if prices for domestic goods and services continue to increase.

The balance-of-payments deficit improved somewhat in 1966. The import surplus decreased about 8 percent in the first 6 months of 1966 compared with the corresponding period in 1965. This was largely due to an increase in exports of machinery and appliances and a decrease in imports of base metals. Future trade improvements largely depend upon Denmark's ability to continue to expand markets for her industrial products, as the share of agricultural exports have been declining although they still account for about 45 percent of the total value of exports.

Agricultural production: The index of animal production, which represents about four-fifths of total agricultural production, rose 5 points to 123 in 1965 (1955=100) and is believed to have remained close to this level in 1966. Output of pork and butter declined slightly in 1966 from the high levels in 1965. Hog numbers decreased by 5 percent to 8.1 million in 1966. Production of pork, including bacon, was 694,000 tons in 1966, down slightly from the high level in 1965. Brisk demand and strong export prices have been noted recently for Danish pork, particularly in U.S. and European markets.

Production of beef and veal increased slightly to about 155,000 tons in 1966, partly due to the culling of dairy herds. Marketing of Danish beef and cattle was generally difficult, due especially to increases in Common Market import levies.

Total milk production rose slightly last year to nearly 5.5 million tons as yields per cow increased. Much of the increase went to satisfy rising domestic demand, particularly to increased demand from farmers who use skim milk for feed. Exports to the United Kingdom, Denmark's principal butter market, regained strength in 1966. Cheese production increased to 125,000 tons in 1966. Much of the increase in cheese output was absorbed by exports to traditional markets. However, exports of special cheese varieties to the United States and Canada increased.

Poultry production during 1966 was at the 1965 level of 77,000 tons. Some diversification of export markets was necessary as certain traditional markets, notably the United Kingdom and West Germany, tightened.

Grain production decreased about 5 percent to 5.9 million tons. Acreages and yields of winter wheat, rye, and mixed grains declined. Although the acreage of barley (the most important domestic feed grain) increased by 6 percent, lower yields resulted in a slight decline in production to 4.1 million tons. Production of potatoes decreased slightly while output of sugarbeets increased sharply as a result of higher yields. The production of commercial fruit increased slightly. Oilseeds, principally rapeseed, remained at the 1965 level of 54,000 tons, as a decrease in area was offset by increased yields.

Agricultural policy: Agricultural policy in Denmark is flexible due to the dependence of agriculture on export markets, and generally it reflects the strong interdependence of meat, dairy, and feed grain production. Public measures, since the first supports were introduced in 1958 with the Grain Marketing Act, have had the main objectives of narrowing the differential between agricultural and nonfarm earnings, promoting farm efficiency and amalgamation, and maintaining competitive export prices. Price supports are applied to bread grains, feed grains, dairy products, meat and poultry, rapeseed, sugarbeets, and industrial potatoes. Subsidies assist in the rationalization of farms and dairy establishments, and in the promotion of exports. Several important policy changes were made in 1966. Under the original Grain Marketing Act, bread grain producers received guaranteed prices. During 1966/67, supports for all grains will be maintained by a system of minimum import prices rather than guaranteed prices. Farmers have already shifted some acreage into barley because of this change in method of support. Levies under the program will be placed in a special grain fund which may be supplemented by treasury funds, and used mainly to support operators of small farms. Under the new milk subsidy program, supports are granted based upon the production of butterfat rather than on numbers of cows, or land value as in the past. This, it is hoped, will accelerate rationalization of dairy production.

Denmark protects its domestic market by import restrictions, both by specific duties for certain products and on an ad valorem basis. Domestic food prices are regulated under the "Home Market Scheme" which establishes certain domestic market prices in order to obtain a predetermined level of producer prices. In May 1966, domestic prices on certain foods were increased under this scheme.

Foreign trade: The internal and external economies are closely integrated in Denmark, and thus domestic supply adjustments are closely related to foreign demand, particularly demand emanating from the United Kingdom and West Germany. The former is Denmark's major customer for pork products and butter and also an EFTA partner. West Germany is a member of the EEC, and a major recipient of Danish cattle and meat products.

Denmark is interested in becoming a member of the EEC. However, the possibility of Denmark entering the EEC either alone or with other Nordic countries seems unlikely, especially since the United Kingdom is seeking EEC membership.

Intra-EFTA trade is increasing. Currently, EFTA takes about half of all Danish exports. This proportion is expected to increase since agricultural exports from Denmark to Sweden will certainly increase as a result of the proposed new Swedish policy of decreasing self-sufficiency in agricultural output.

In recent years import restrictions have been eased for such commodities as selected cheeses, rice, feed grains, oilseeds and oil cakes, raw cocoa, raw tobacco, and certain processed fruits and vegetables. Import quotas and tariffs are applied to certain products. Trade diversification has been rapid in recent years. Although the most important agreements apply to EFTA partners, bilateral agreements have been extended to several East European, Asian, and African countries.

Denmark is the largest supplier within EFTA of foodstuffs to the United States. In 1965, agricultural exports from Denmark to the United States increased by 21 percent to $97 million. These exports consisted mainly of meat and meat preparations, alcoholic beverages, and cheese (including a new "Colby" variety).

In 1965, the total value of Danish agricultural imports from the United States was $116 million, about one-fourth of total agricultural imports. Major agricultural imports by Denmark from the United States were oilseeds, oilseed meal, unmanufactured tobacco, and feed grains.

Outlook: Economic growth is not likely to exceed 4 percent during 1967, as resources are almost fully employed, and policies to restrict total demand and thus ease the balance-of-payments deficit are expected to continue. Anticipated rises in public expenditure under current investment programs in the fiscal budget for 1966/67 may generate increased activity in 1967. Overall economic performance will largely depend upon Denmark's ability to continue to find export markets for industrial products.

Major problems facing Denmark's agriculture continue to be lower profits, higher costs, farm financing difficulties, and tenuous export prospects. These conditions are likely to continue during 1967. Increased capital inputs and rising labor productivity have contributed strongly to efficient production on Danish farms, but capital shortages and the rising number of "hobby farmers" may slow the rationalization process slightly during 1967. Legislation favoring farm amalgamation may be passed this year. It would stimulate a more rapid increase in farm size.

Agricultural exports are likely to follow traditional patterns, with increased diversion of certain meats and dairy products to new markets. However, decreasing beef cattle numbers and lower export prices may be expected, since the EEC imposed high levies on beef cattle in 1966. Pork production should reach another record level in 1967, with bouyant export demand absorbing much of the increase. There is some likelihood that bread grain imports may increase as supports for these crops are removed, and barley is substituted. Also, the milling quota for imported rye was raised to 50 percent on January 1, 1967. Poultry production may decrease moderately in 1967 if poultry producers respond to the recommendations of the Poultry Export Board. (Marshall H. Cohen)

FINLAND

Economic situation: The growth in Finland's real GNP declined to about 2.7 percent in 1966 from the 5 percent increase registered in 1965. The slowdown was due to a contraction in industrial activity, caused partly by restrictive monetary and fiscal policies and the long, severe winter. Import expansion was responsible for a continuation of the trade deficit in 1966. Although the deficit for the first 9 months of 1966 was down 9 percent--to $183 million--from that for the corresponding period in 1965, it remained a problem. Financing the deficit has been difficult with foreign exchange reserves at low levels and with the international money market tightened. In the past, deficits have been financed largely by long-term foreign credits. In 1966, however, Finland resorted to increased private short-term borrowings at higher interest rates.

Heavy imports have been required so far in Finland's efforts to diversify manufacturing. Although the wood industry remains an important source of revenue, it has reached its limits and world prices for pulp products have trended lower. Industries such as newsprint, metals, and engineering have been expanded. Tight credit caused some slackening in the generally active building sector during 1966.

Tightened domestic policy has resulted in some stabilization of consumer price levels. The cost-of-living index, up 4.7 percent in 1965, increased about 5 percent in 1966. Sales taxes were increased--particularly for tobacco, motor vehicles, and fuels.

Agricultural production: The index of gross agricultural production, which rose 6 percent in 1965 to 119 (1957-59=100), declined somewhat in 1966. Output of grains dropped by 11 percent to 2.0 million tons, chiefly due to the severe winter and the rapid spring thaw. Nevertheless, the quality of grains generally was good. The wheat harvest declined by one-fourth from the record 1965 level to an estimated 369,000 tons. Rye production was also down 37 percent to 119,000 tons. The total feed grain crop decreased slightly to 1.5 million tons in 1966. However, feed grain stocks are at capacity levels in the State granary. Potato output declined by one-sixth to about one million tons. Yield increases contributed to higher production of hay and root crops used largely for livestock feeding.

Cattle numbers continue to increase due to increased milk and beef prices in recent years and relatively good feed supplies. A 3 percent increase in beef and veal output in 1966 (to 98,000 tons) was largely absorbed by rising domestic consumption. Beef and veal supplies are tight and producer prices have been increased to stimulate production. Pork production increased to 70,000 tons. Milk output was 3.8 million tons in 1966, due to favorable feed supplies. Domestic consumption of dairy products increased somewhat, but not sufficiently to absorb dairy surpluses caused by tight export markets.

Finland's agricultural productivity has trended upward despite the handicaps of climate, small farm size, and the expense of long, indoor feeding periods. The farm labor force in Finland is expected to continue to decrease slowly as industrialization proceeds. Self-sufficiency has been achieved for feed grains and dairy products, as producers responded to extensive support programs. However, due to the high cost to the treasury of supporting prices of products facing marketing difficulties, further structural changes are likely to be encouraged by the recently elected administration.

Agricultural policy: Finland's agricultural policy is aimed at narrowing the income differential between the farm and nonfarm sectors, and maintaining self-sufficiency in the production of certain commodities (namely grain, meat, and dairy products). Farm income is maintained under the provisions of the Agricultural Price Level Act of 1962, which provides for annual fixing of target producer prices for wheat, rye, milk, beef, pork, and eggs. The annual target prices are stabilized by a fixed producer price system for wheat, rye, milk, beef, pork, and eggs and an import fee system which aims at reducing foreign competition and at stabilizing domestic prices. All grain is purchased by the State.

Although the Agricultural Price Level Act expired in 1965, the Government computed agricultural income adjustments for 1966 under the provisions of the Act. New legislation will be forthcoming in 1967. It is estimated that total compensation to farmers under the income adjustment for 1966/67 will be about $36 million, mainly in the form of increased producer prices, acreage subsidies, and higher supports to farmers in remote regions. In September 1966, producer prices were increased for milk, pork, beef, and eggs. These increases in prices are expected to result in an estimated rise of 0.7 percent in consumer prices.

Finnish agriculture is highly protected by a system of variable import duties. Under the new Law on Import Fees, passed in November 1966, levies are adjusted in relation to changes in average world market prices. Structural improvement of Finnish farms is encouraged under the Law on Basic Credits for Agriculture adopted in 1965, which was designed to discourage land fragmentation and encourage enlargement of farming units. The act also provides for long-term credits and loans. Forthcoming legislation is expected to provide agricultural tax reforms.

Foreign trade: In recent years, Finland's trade has been characterized by increasing movement of goods to and from EFTA (Finland is an associate member of EFTA) and East European countries. Finland maintains bilateral agreements for agricultural trade with these areas, particularly the Soviet Union, for imports of cotton, sugar, molasses, feed concentrates, and grains. Finland's exports of dry milk, cheese, cattle, and eggs to the USSR under such agreements have increased in recent years; however, under the 1967 Finnish-Soviet Trade Agreement butter will be dropped, and the cheese quota reduced. Soviet exports of bread grains reappeared in the agreement for 1967 after a year's interruption. Sales of cheese to the EEC and butter to England have declined. Heavy export subsidies are paid by the Government to offset high production costs and lower world market prices.

About one-sixth of Finland's imports are agricultural (mostly cereals, oilseeds, vegetables, sugar, and fiber). Dairy products and eggs are the main agricultural exports, accounting for almost 60 percent of total agricultural exports. In 1965, agricultural imports from the United States totaled $23 million, or 11 percent of total agricultural imports. These imports from the United States were chiefly fruits, tobacco, oilseeds, and cotton. Finland's agricultural exports to the United States, valued at $8.4 million in 1965, were mainly "Swiss variety" cheeses. Sales of U.S. products to Finland were at record levels, and the share of foodstuffs in those sales rose sharply in 1966.

Outlook: The economic outlook is favorable, and the overall growth rate is forecast to be approximately 4 percent during 1967. This resumption of growth is largely due to a revival in investment, and increased exports from the industrial and consumer goods sectors, particularly to the Soviet Union and Sweden. Labor will be less tight during 1967; however, capital shortages will continue.

No significant changes in the production patterns of Finnish agriculture are expected in 1967, although the Government is likely to continue rationalization policies. Factors affecting Finland's agricultural sector in 1967 as well as in future years are new social legislation directed at structural modifications, tighter export markets for certain dairy products, and the Kennedy Round outcome.

The decline in bread grain output may result in some imports in 1967. Also, the feed supply will again exceed domestic requirements. Both milk and beef output are expected to increase somewhat during 1967. Tobacco imports, largely from the United States, may increase as consumption is high; however, increased competition from Greece, Turkey, and the Soviet Union may be expected. Cotton imports from the United States have declined substantially in recent years, as cotton has met increased competition from man-made fibers, and consumption has generally declined. Apple imports may increase as the apple crop was only 20 percent of normal and supplies are low. The Finnish Government lowered the import duty on apples in December. (Marshall H. Cohen)

FRANCE

Economic situation: France continued to enjoy unprecedented prosperity in 1966. GNP reached about $100 billion (current prices) in 1966, or almost 5 percent real growth from 1965. This rate was about equal to the average annual growth rate set for the Fifth Development Plan (1966-70) and exceeded the 3.5 percent real growth rate in 1965. Industrial activity increased throughout the year and showed an increase of about 6 percent.

Price increases in 1966 were slightly greater than in 1965. In 1966, the retail price index rose 2.6 percent while wages went up about 6.5 percent. During the 12-month period from August 1965 to August 1966, bank credit increased about 14 percent and the money supply 9 percent.

France has a very favorable balance of payments. At the end of November 1966, official reserves were $5.8 billion, with about nine-tenths in gold. France's balance-of-payments surplus (before debt prepayment of $179 million) rose to $1.1 billion in 1965 from $796 million in 1964. The increase in the balance-of-payments surplus in 1965 was due principally to an improvement in the trade balance, which switched from a deficit of $89 million in 1964 to a surplus of $388 million in 1965. The balance of payments for 1966 as a whole is expected to have shown a surplus of about $600 million.

Agricultural production: Gross agricultural output in France in 1966 was close to the level achieved in 1965 in spite of poorer crops. Production of livestock products increased by about 3 percent in 1966 but crop production declined by almost one-tenth from 1965.

Total grain production in 1966 was over 26 million tons, almost 3 million tons less than in 1965. The acreage sown to grains in 1966 was smaller than in the previous year and yields of the small grains were reduced by adverse climatic conditions.

The wheat crop dropped sharply from 14.8 million tons in 1965 to an estimated 11.3 million tons in 1966 because of lower yields and reduced area. Insect damage and a late spring were responsible for the reduction in yields. The reduced area was attributable mainly to the late harvests and rainy weather in the fall of 1965.

Production of feed grains increased 6 percent to nearly 14.6 million tons, approaching the 14.8 million tons set in the Fifth Plan for 1970. The barley crop in 1966, estimated at 7.4 million tons, was a new record. Production of corn in 1966 was over 4 million tons, as compared with 3.4 million tons in 1965. The area planted to corn increased nearly one-tenth over that in 1965.

Production of other crops varied. Production of sugarbeets in 1966 is estimated at 12.8 million tons, 4.2 million tons below 1965. A planned reduction of about one-fourth was made in sugarbeet acreage because of a surplus of sugar. The potato crop was adversely affected by blight and excessive rain, and production of potatoes suitable for storage was down nearly a tenth from the poor crop in 1965. Pulse production was slightly above the 126,000 tons produced in 1965. Cool weather during March-May 1966 damaged the vegetable crop and retarded fruit growth, particularly stone-fruit. Wine production in 1966 was lower than in 1965 but the quality was higher. The apple crop was bigger than in 1965 and of better quality. Despite a smaller area planted to tobacco, production of tobacco approximated the level of 50,000 tons produced in 1965.

Cattle numbers are believed to have increased by about 200,000 in 1966 to 20.7 million. The number of hogs--which reached a peak in 1965--may have decreased in 1966, but are expected to rise sharply in the next few years.

Production of red meat in 1966 was slightly higher than in 1965. Beef and veal production continued to recover, but pork production declined slightly from 1965. Production of poultry meat in 1966, at 472,000 tons, was slightly higher than in 1965 which together with lower exports, resulted in serious marketing problems. Production of milk was up about 5 percent from 1965, resulting in an increasing surplus of milk and dairy products, particularly butter.

Agricultural policy: French agricultural policy in 1966 remained basically unchanged, although there were adjustments in prices to conform with the EEC's Common Agricultural Policy. Agriculture policy in 1966 sought the main objectives of the Agricultural Law of 1960 which are to: (1) promote technical progress and competitiveness of agriculture; (2) adjust farm production to existing markets in order to avoid burdensome surpluses and at the same time to reduce required imports; (3) increase and consolidate land holdings; and (4) raise the level of living of farmers to compare with that of industrial workers.

The Government continued to encourage contractual agreements between agricultural producers and distributors and to give support to agricultural organizations which regulate, guide, and promote or market agricultural products.

The plan for the reorganization of livestock production and marketing, which had been under consideration for a long time, was finally approved by the Government in 1966. The Ministry of Agriculture, in conjunction with French financial institutions, created an organization to provide financial assistance to the livestock sector. The Ministry of Agriculture allocated about $30 million in 1966 to provide credit to the livestock sector.

An overriding trade goal in 1966 was to develop markets for France's agricultural products in order to narrow the deficit in agricultural trade. France sought in particular to increase its agricultural exports to Eastern Europe and Mainland China.

There was little change in the system of export subsidies. The Government continued to subsidize exports of grains, milk, and poultry to non-EEC member countries. Although export subsidies are increasingly being covered by the EEC's Common Agricultural Policy, subsidies on agricultural exports amounted to about $310 million in 1966.

France continued to rely on bilateral trade agreements as an aid in disposing of its agricultural exports. Many of these agreements were extended or replaced by new agreements in 1966. These agreements will eventually terminate under the CAP.

The agricultural trade policy in the Fifth Plan, as in the Fourth, stresses the expansion of exports. To gain new markets, the Plan laid down as a general aim an improvement in the quality of produce and offered three suggestions to producers, namely: (1) increase the production of beef, which is in short supply in the European market; (2) concentrate on higher quality wheat and certain other cereals such as barley; and (3) increase the use of domestic grains for animal feed.

Foreign trade: France, a member of the European Economic Community, is gradually harmonizing its tariffs and import regulations with those adopted by the EEC. In 1966, there were additional tariff changes that reduced tariffs applicable to other EEC members and brought France's tariff rates for non-EEC member countries more in line with the EEC's Common External Tariff. The harmonization of tariffs in the EEC is due to be completed on July 1, 1968.

France has long been one of Western Europe's leading exporters of agricultural products. Yet, France's deficits in agricultural trade (imports valued on c.i.f. basis) averaged close to $1 billion annually during 1962-65. This persistent deficit was mainly with the French-speaking territories in Africa.

In 1965, agricultural imports by France, representing one-fourth of total imports, amounted to $2.54 billion--over $100 million less than in 1964. Imports of foodstuffs alone in 1965 were valued at nearly $2 billion. Major food imports in 1965 were fruits and vegetables, meat and meat preparations, tropical products such as coffee and tea, and animal and vegetable fats and oils.

France's agricultural exports in 1965 amounted to $1.74 billion, up $147 million from 1964, and accounted for over one-sixth of total exports. Larger exports of fruit and grain were mainly responsible for the increase. Other leading agricultural exports in 1965 were dairy products and wine.

Other EEC countries are France's most important customers for its agricultural products. In 1965, the EEC countries absorbed more than half of all French agricultural exports.

The United States supplies less than one-tenth of France's agricultural imports. During 1959-64 agricultural imports from the United States rose rather rapidly, reaching a record of $216 million in 1964. In 1965, imports of agricultural products from the United States declined to $205 million and represented 8 percent of total agricultural imports. The main agricultural imports from the United States are oilseed and oilseed products (mainly soybeans and soybean meal), corn, cotton, and variety meats.

Agricultural exports by France to the United States averaged $62 million per year in 1963-65, with wine accounting for half of the total.

Outlook: Prospects are for the continuation of a relatively high level of economic activity in France during 1967. GNP is expected to expand at about the same rate as in 1966. The rise in prices for 1967 is estimated at 2.3 percent, somewhat less than in 1966. The volume of trade in 1967 is expected to increase by roughly one-tenth as compared with that in 1966.

The sharp decrease in wheat production in 1966 is expected to be reflected mainly in a reduction in exports of soft wheat by France. Exports of wheat in 1966/67 are expected to be 2.5 million tons, or about 2 million tons below the 1965/66 level. However, France is expected to import at least 200,000 tons of hard wheat and about 400,000 tons of durum wheat. In 1965, France's imports of hard and durum wheat from the United States totaled 239,000 tons, or nearly half of total wheat imports.

A record corn crop is expected to result in exports of about 1.5 million tons, but imports of corn in 1966/67 are still estimated at about 400,000 tons, mainly from the United States. In 1965, purchases of U.S. corn totaled 408,000 tons valued at $27 million, or nearly two-thirds of the total value of corn imports. France customarily imports corn and sorghum for poultry feed, primarily in Brittany--where domestic corn from southwestern France is not always competitively priced with imported corn--and exports corn to West Germany and other nearby countries.

The record barley crop in 1966 is expected to result in both increased domestic consumption and exports of about 2.5 million tons in 1966/67.

The demand for oilseed cake and meal by France will continue to increase because of rising per capita income and demand for meat. In 1965, France's imports of animal feed, mainly soybean oil cake and meal, increased nearly one-fourth over 1964 to $117 million.

Exports of some other U.S. agricultural products to France are likely to increase during 1967. Somewhat larger amounts of U.S. cotton may be imported by France, since U.S. cotton will be more competitively priced in the world market under the new U.S. cotton program. French imports of U.S. variety meats have been increasing rapidly in recent years and this trend is expected to continue in 1967. Although total imports of rice are not expected to increase in 1967 because of the somewhat larger domestic crop, the recent uptrend in U.S. rice exports to France is expected to continue in 1967. (James Lopes)

WEST GERMANY

Economic situation: GNP increased at a satisfactory rate of about 7 percent in 1966 (current prices), although considerably less than the rate of 9 percent achieved in 1965. Real growth in GNP probably was about 3.5 percent in 1966. The major current objective of economic policy--price stability--appears now to have been largely achieved without reducing real growth below, or much below, the rate which can be sustained with available resources. First signs of easing have appeared in the labor market, one of the bottlenecks in the economy during the postwar period.

During 1966, two unfavorable aspects of the economy were a low rate of industrial investment and a tight capital market. A willingness to ease monetary restrictions appears to be forthcoming as the Federal Bank seems to have finally achieved its objective of slowing price inflation.

Imports, which increased 20 percent in 1965, were up only 5 percent in the first 10 months of 1966 over the corresponding period in 1965. On the other hand, exports through October were up 13 percent, exceeding the increase of 10 percent in 1965.

A prolonged rise in consumer prices was stopped in May 1966 and the cost-of-living index remained almost steady at least through November, being aided in mid-1966 by a drop in certain food prices. Total private consumption expenditures were estimated at $68.5 billion in 1966, an increase of 7.5 percent compared with the 9.5 percent increase in 1965.

Disposable income--up 9.4 percent in 1964 and 11 percent in 1965--increased 6 percent in 1966, providing a considerably smaller stimulus for demand. The rate of increase is expected to level off gradually to about 5 percent in 1970. Even with a slight inflationary trend, this rate of increase in disposable income is expected to result in a further increase in the consumption of foodstuffs, primarily animal products.

Agriculture (including forestry and fisheries) supplied less than 4.5 percent of the GNP in 1966 even though about 10 percent of the active labor force was still employed in the sector. This contrasts with the situation in the agricultural sector of the United Kingdom (comparable populations, substantial food importers, etc.) where less than 3.5 percent of the GNP is created by less than 3.5 percent of the active labor force.

Agricultural production: A cold spell in November 1965 and ensuing wet weather resulted in reduced fall sowings. The winter of 1965/66 was extremely mild and winterkill was negligible. Spring was generally cool and wet except for a short warm and sunny period in March. Relatively dry weather during May and June was followed by a very wet and cool July. Even so, the weather was better than during 1965, a year described by many as the worst in decades. As a result, crop production in 1966 was 5 to 10 percent higher than in 1965. Grain production was up about 5 percent and equal to the 1961-65 average. Good crops of potatoes, sugarbeets, fruit, and vegetables and a record crop of hay were produced. Although not up to record levels, these crops were well above recent averages and were of good quality.

Total red meat output in 1966 was estimated to be slightly above 1965, with increases in beef and veal being largely offset by less pork. Milk production continued to increase, aided in part by better pastures.

Agricultural policy: In 1966, agricultural policy changes in West Germany were dominated by Common Market developments. Attention was focused on the vital EEC negotiations and the adoption in July of the CAP, the agreement on a common financing of programs, and the submission by the EEC of bargaining offers for the Kennedy Round GATT negotiations. (These developments have been more fully discussed under the Common Market Situation, page 10.)

The Government has proposed a Federal agricultural budget of about $1.2 billion for 1967, an amount about equal to that in 1966. Among the major shifts in emphasis is a reduction in milk subsidies from $175 million in 1966 to $81 in 1967. Expenditures for milk and diesel fuel subsidies and subsidies to the Accident Insurance Fund also were reduced. Sizable increases were made in the funds budgeted for construction of storage facilities, for grain export subsidies, and for market support of dairy products. Budget allocations for development programs were not changed significantly.

An "aid for adjustment to the EEC" program designed to improve production and marketing practices was planned at $192 million per year in 1966 and 1967. The continued substantial subsidization of agriculture generally reflects efforts to achieve greater income parity for agricultural workers and more efficiency in agriculture. As tariffs between EEC member nations move toward zero in July 1968, German farmers will face even keener competition from their counterparts.

Foreign trade: West German agricultural imports during 1965, at $4.8 billion (28 percent of total imports), were for the most part subject to ad valorem duties. A major group--fruit, vegetables, and juices ($1.1 billion imported in 1965)--has been partly under EEC regulation. However, almost all of the items in this group are subject to ad valorem duties. Many of these duties rank among the highest in the West German Tariff Schedule. Among oilseeds, meals, fats and oils ($800 million), oilseeds and meals are duty-free; duties on fats and oils increase with the stage of processing. Also, cotton and wool ($375 million) as well as animal hides, skins and hair ($125 million) are free of duty. Most stimulants such as tobacco, beverages, coffee, and tea ($625 million), and roughage, roots, tubers, and plants ($175 million) are subject to duties. The products listed above accounted for 60 percent of the total value of agricultural imports in 1965. Imports of slaughter cattle and fresh and chilled beef and veal ($250 million) are subject to duties plus variable levies under the EEC market regulation for beef.

Levies are charged on grains and rice (to a value of $475 million imported in 1965), poultry and eggs (about $250 million), dairy products ($150 million), and hogs and chilled and frozen pork ($50 million). These commodities and other goods processed from them, together accounting for about 20 percent of total agricultural imports in 1965, also are subject to levies.

Nontariff restrictions are in effect for certain items, but generally on items of little value relative to the total volume of trade. Import quotas remain for fresh apples and pears, as well as for such canned foods as pears, cherries, asparagus, and green beans.

German regulations for the protection of health or of other interests of consumers and trade often render access difficult if not impossible for many commodities. They exert a greater effect in many cases on U.S.-German trade than the restrictions mentioned earlier. These include the Meat Inspection Law which prohibits importation of fresh meat cuts; animal disease regulations which prohibit the import of feeder cattle from certain areas (including the United States), and stringent provisions of the Food Law.

Bilateral trade agreements are limited for the most part to trade with the countries of Eastern Europe. The share provided by these countries (excluding Yugoslavia and East Germany) of German imports of food, feeds, and stimulants was somewhat less than 5 percent in 1964 and 1965.

Agricultural exports from West Germany in 1965 were valued at $516 million, only 2.9 percent of total exports. Major exports were animal and vegetable fats and oils, hides and skins, and wool.

West Germany is the fourth most important dollar market for U.S. agricultural exports, and ranks second in Europe, trailing the Netherlands by a small margin. However, a sizable amount of U.S. agricultural products are transshipped through the Netherlands to West Germany. Direct U.S. agricultural exports to West Germany in 1965 totaled a record $434 million. Major commodity exports include oilseeds ($80 million), unmanufactured tobacco ($64 million), feed grains ($82 million), and cotton ($17 million). Exports showing some increase from 1964 levels include wheat and flour, fruits and preparations, nuts and preparations, and dairy products.

Outlook: The overall rate of economic growth is expected to slacken further during the first half of 1967 while a recovery is foreseen for the second half of the year. The new administration is expected to emphasize programs to improve efficiency in production and especially marketing. The 1966 fall sowing of grains was carried out successfully, with both wheat and rye area recovering from the depressed level of 1965; barley increased further in line with the long-term trend.

Although agricultural production has almost doubled since 1950, domestic output still accounts for only about 70 percent of domestic requirements. Imports from non-EEC member countries, including the United States, make up about two-thirds of the difference. The share accounted for by EEC members has been increasing.

West Germany imported some 4.4 million tons of grain during January-August 1966, somewhat more than one-third of which was from the United States. Imports are expected to run at a lower rate during 1967 due to larger domestic production of feed grains and feeds. It is expected however, that the United States will retain a sizable share of total grain imports, particularly of wheat and corn.

Oilseeds, oilseed products, and grains accounted for almost half of total U.S. agricultural exports to West Germany in 1965. Import requirements for oilseeds and oilseed products, as well as cotton, tobacco, rice, peas, and beans, are expected to continue at about the same levels as in 1965.

A forecasted shortage of pork will probably not be covered by imports because of limited supplies in exporting countries. Retail prices for beef are expected to remain at a high level although domestic cattle prices are expected to remain low, mainly because of the domestic marketing system. In turn, the EEC market regulation will keep import levies high and thus continue to reduce imports of cattle and beef sharply. West Germany will continue to be dependent upon the United States for variety meats. The United States is the only source of supply with good quality and a relatively low price. Internal and EEC policies have not significantly altered trade in livestock products between the United States and West Germany. (David W. Riggs)

GREECE

Economic situation: In 1966, Greece experienced rapid economic growth for the fourth consecutive year. Real growth in GNP approximated 7.5 percent in 1966, about the same as in 1965. There was a further rise in employment and in the standard of living. Invisible earnings are believed to have risen by about 15 percent in 1966 to $480 million, resulting from satisfactory invisible revenues. The current accounts deficit probably reached $300 million, somewhat greater than that in 1965. While official reserves at the end of 1966 amounted to about $250 million, total national foreign debts were estimated at $1,241 million.

Industrial output probably rose about 14 percent in 1966 and output in the services sector by about 7 percent. Although gross fixed investment is believed to have risen by about one-sixth in 1966, the rise occurred chiefly in housing and transportation, with relatively little increase in the industrial sector. During 1966, there was a moderate rise in prices, mainly of food.

Agricultural production: Agricultural production in 1966 was barely 1 percent more than in 1965. Although weather conditions in Greece were generally favorable in the early part of 1966, dry, warm weather followed, limiting supplies of water for irrigation by mid-year 1966. In July, hail also damaged some crops in parts of Macedonia.

Total production of grain in Greece increased over the harvest in 1965 because of a large feed grain crop. Although the 1966 wheat acreage was reduced by 106,000 hectares or by about one-tenth, wheat output, at nearly 2 million tons, was only slightly below the 1965 level. Production of rye in 1966 was one-fifth below that in 1965, also due chiefly to a reduction in acreage. Rice acreage in 1966 was reduced by almost one-fourth, but rice output decreased by less than one-fifth. Greece harvested a record barley crop of 632,000 tons, and in spite of a 3 percent reduction in acreage--harvested about 15 percent more corn than in 1965.

Production of most nongrain crops in Greece increased in 1966 over the level realized in 1965. Production of edible pulses in 1966 also was higher than in 1965. Cotton production in 1966 was about 15 percent higher than in 1965, although the area planted was smaller. An increase in the acreage of irrigated cotton contributed to higher yields. The outturn of tobacco in 1966 is estimated to have been about 6 percent below 1965, primarily because of reduced acreage but partly because of damage from blue mold in western Greece. Production of potatoes and sugarbeets increased 3 percent and 7 percent, respectively. Good crops of vegetables and feed pulses were harvested.

Fruit production in Greece in 1966 was not greatly different from the total crop in 1965. Although the deciduous fruit producing area of Western Macedonia was hit by frost in March, output was not reduced substantially (except for apples) because of new trees coming into production. The 1966 apple crop decreased 5 percent from 1965. The harvest of pears, in contrast, increased almost one-fourth and that of peaches about 2 percent. Apricot production, at 27,000 tons, was a record crop, substantially larger than the 1961-65 average of 18,000 tons. While the production of currants increased about one-tenth in 1966, the production of sultanas decreased about 5 percent. Production of oranges and tangerines increased about one-third, while the lemon crop was down somewhat from the record 1965 crop.

The output of olive oil in 1966 was 5 percent less than in 1965, and the output of table olives was over one-third higher than the amount harvested in 1965, although 1966 was the biennial low of the olive production cycle. Important factors were favorable weather, better cultivation methods, and aerial spraying against the dacus fly.

In general, livestock and poultry made some gains in Greece during 1966. There was some increase in cattle and hog numbers. Poultry numbers increased sharply and totaled about 22 million in 1966. Numbers of sheep, goats, and draft animals continued to decrease. Red meat production in 1966 was about the same as in 1965. The output of pork increased 5 percent; poultry meat, 9 percent; and meat from rabbits and game, 6 percent. Production of lamb and mutton as well as goat meat likely followed the decreasing trend evident in recent years.

The increase in milk production in 1966 was relatively small. Since milk-producing animals decreased in number, the increase resulted from a further increase in milk yields. Almost three-fourths of all milk produced is used for cheese and fluid milk, while about one-tenth is utilized for butter, and the remainder for feed. Egg production increased 3 percent in 1966, to about 85,000 tons.

Agricultural policy: The agricultural objectives of Greece's second Five-Year Plan (1966-70) are to increase productivity and to make agriculture more competitive. The Plan calls for: (1) improvements in crop yields and in the quality of farm produce and livestock; (2) increased farm sizes; (3) strengthened agricultural research and extension services; (4) improved marketing and distribution facilities for agricultural products both at home and abroad; (5) increased mechanization of agriculture; and (6) better use of the agricultural labor force by increasing its mobility.

The Greek Government has temporarily suspended import duties on certain types of livestock, meats, and feed for livestock and poultry due to a shortage of meat. Import licenses are required for certain agricultural products. Since becoming an associate member of the EEC in 1962, Greece has taken action to liberalize certain import restrictions. Prepayment requirements for imports have been reduced. Greece has bilateral trade agreements with a number of countries, including East European countries.

Direct payments for exports of certain fresh and dried fruits and vegetables are practiced in Greece. Price supports in the domestic market cover wheat, rice, barley, hybrid seed corn, currants, sultanas, sugarbeets, olive oil, and, for the first time this year, table olives. In addition, direct subsidies are paid to growers of cotton, alfalfa seed, and livestock and dairy products. Total subsidies paid on fertilizer averaged $10 million in 1965 and 1966. Restrictions on the acreage of tobacco and currants based on export demand are also a feature of Greek farm policy.

The Government consolidated an estimated 63,000 hectares of small parcels of land in 1966, compared with 38,000 hectares in 1965. The area currently under irrigation amounts to an estimated 560,000 hectares--almost one-seventh of the total arable land. Areas to be irrigated by facilities now under construction amount to 160,000 hectares.

Credit facilities, both through the Agricultural Bank and private sector, have increased. As of June 1966, the aggregate credit provided to farmers reached $560 million. The Greek Government also allocates funds for agricultural research, education, and extension projects.

Until 1966, the sale of wheat for export was handled by the State. Under the new system, anyone may export soft wheat purchased in the open market. Because of lower prices obtained from exports, the Greek Government decided to subsidize private wheat exporters with a subsidy starting at 3.3 cents per kilogram and declining to 2.5 cents. No more than 50,000 tons have been exported under this system. Since a wheat surplus seems to have become a perennial problem in Greece, efforts will have to be made to develop markets for wheat exports.

Foreign trade: Imports in 1966 are believed to have increased by almost one-seventh over the level in 1965, with the increase being mainly in consumer goods as the rate of growth in capital goods imports slowed significantly. Exports probably rose one-fifth over 1965, but about half of this increase was due to the sale of surplus wheat. In the first 6 months of 1966, Greek imports totaled $573 million, an increase of 6 percent from 1965; while exports amounted to $196 million, an increase of 24 percent. The trade deficit of almost $380 million during the first 6 months of 1966 was somewhat less than in the corresponding period in 1965.

Tobacco is by far the most important agricultural export, constituting about half of the total value of agricultural exports and earning about two-fifths of Greece's foreign exchange. Other important agricultural exports are cotton, sultanas, citrus fruit, olive oil, and table olives.

Greek exports to the EEC have risen sharply in recent years. Most of these exports were agricultural commodities. As compared with $81.4 million over the 12 months from July 1962 to June 1963, exports to the EEC rose to $121.6 million in 1965/66. Exports to the EEC accounted for almost one-third of total agricultural exports by Greece in 1965/66. In April 1966, the EEC countries granted further tariff reduction to Greece on certain agricultural imports. In relation to 1957 rates, current duties are 35 percent for liberalized items and 40 percent for items still subject to import restrictions. These duties are scheduled to be eliminated completely by December 31, 1969.

Agricultural exports to the United States--mainly tobacco, dried figs, table olives and olive oil--accounted for 10 percent (about $25 million) of Greece's total agricultural exports in 1965. U.S. agricultural exports to Greece--mainly feed grains--amounted to $38.2 million in the same year. Grain shipments to Greece under Title IV of P.L. 480 were terminated in mid-1965. However, the Title IV shipments were resumed in January 1966 for feed grain and soybean oil.

Outlook: The unfavorable economic conditions evident at the end of 1965 have been succeeded by a more favorable climate in the economy generally. All signs seem to point to a satisfactory growth in national income during 1967.

The booking of 740,000 tons of wheat exports (including nearly 600,000 tons shipped) has greatly eased the wheat surplus situation. However, Government subsidies to both growers and exporters are burdensome to the national economy. In view of the relatively tight international wheat situation, the Greek Government is not likely to take further measures to reduce the 1967 wheat crop. But efforts will have to be made to develop markets for wheat exports. The increased output of barley will reduce Greece's import requirements for feed grains in 1967.

Imports of soybean oil are expected to continue, although the 1966 olive oil crop was relatively large. Sugar imports will likely total 30,000 to 40,000 tons in 1967.

Although development of the livestock industry is being given high priority, the large imports of live animals and meat are of concern to the Government. Imports of live animals for slaughter during January-June 1966 were considerably greater than in the comparable period of 1965.

The production of burley tobacco in Greece has been increasing rapidly in recent years. Nearly all of this tobacco finds a market in West Germany and competes with U.S. burley sales to that country. Exports of other crops, notably sultanas and canned peaches, continue to increase with some impact on U.S. exports of like commodities. (Sheldon Tsu)

IRELAND

Economic situation: The economy of Ireland was unsettled during 1966. The cost-price push evident throughout the economy fed inflation, causing continuing difficulty with the balance of payments and leading the Government to impose deflationary measures. In 1966, Ireland borrowed heavily in international money markets for the first time in almost 20 years in order to finance Government programs. Real GNP growth during 1966 was about 2 percent, and for 1965 2.5 percent.

Difficulty in finding export markets for live cattle and beef, whose production has been stimulated by Government subsidies, caused further economic problems. The shipping strike in the United Kingdom, followed by a bank strike in Ireland, and then the EEC's high levies on cattle and beef imports from nonmember countries, added to the difficulty. In spite of unrest among farmers, the Government can scarcely afford a greater expenditure for aid to agriculture than is already being given.

Agricultural production: Spring in 1966 was the wettest for many years. The wet, cold weather during early 1966 not only delayed pasture growth but also reduced the area sown to crops. The only important crop for which there was no acreage reduction was barley. Primarily because of bad weather during seeding, the 1966 wheat acreage was the smallest since the early 1930s and down 30 percent from 1965. The areas planted to sugarbeets and potatoes were off about 18 and 4 percent, respectively. Reductions in area were partially offset by higher yields obtained under nearly ideal weather during August and September.

The inclement weather early in 1966 also adversely affected livestock production and marketing. In 1965, the wet summer reduced the quality of hay and silage and this led to a shortage of forage early in 1966. The retarding effect of the late spring in 1966 on the growth of pasture compounded an already tight feed situation for many farmers. Despite an increase in the feeding of grain, many farmers, especially those in western Ireland, suffered heavy losses of cattle and sheep due to malnutrition and disease.

The wet spring also prevented many farmers from fertilizing pastures, which retarded pasture growth early in the season. Milk production during the first half of 1966 was only slightly higher than during the corresponding period in 1965 in spite of a need to fill a larger butter quota in the United Kingdom.

The number of cattle in June 1966 was a record 5.6 million. The 5 percent increase in the number of cattle during 1965/66 (and the 13 percent increase between June 1964 and June 1966) was largely the result of the Government's subsidy program, which provides $42 for each calved heifer added to a farmer's herd.

Agricultural policy: Annual expenditures by the Government for agricultural support reached nearly $151 million for the year April 1965 to March 1966, including the cost of some services not exclusively for the benefit of farmers. This expenditure on agriculture is equal to more than $50 per capita and contrasts with $12 so spent by the United Kingdom and $10 by West Germany. Expenditures on agricultural support in Ireland have doubled over the past 5 years. Farmers now have guaranteed prices for milk, wheat, barley, sugarbeets, and hogs. These products make up nearly half of the total value of agricultural output. Irish prices for cattle and sheep also are linked to guaranteed prices for these classes of livestock in the United Kingdom under the Anglo-Irish Free Trade Area Agreement. These commodities represent one-third of agricultural output. The overwhelming dependence of Irish agriculture on foreign markets means that domestic programs must be linked to conditions in export markets.

The Second Program for Economic Expansion (1964-70) calls for a 3.8 percent per year expansion of gross agricultural product and the improvement of farm incomes. The increase of 2.9 percent per year in GAP called for during the decade 1960-70--under the first Program for Economic Expansion--was not realized during the first 3 years. Nevertheless, the higher rate called for between 1964 and 1970 is considered well within the capacity of Irish agriculture. The planned increases in output are being encouraged by Government programs that include: better access to foreign markets; reduction of farm production expenses; ensuring of adequate credit; provision of educational, research, and extension facilities; price supports on selected products; and encouragement of greater efficiency in production, marketing, and cooperative organizations.

The Second Program projects an increase of 60 percent in farmers' per capita real income between 1960 and 1970 compared with an increase of 40 percent for the economy as a whole. Substantial increases in the production of livestock products, a doubling of barley output, and significant increases in horticultural products and sugarbeets also are planned. More than 70 percent of the projected increase between 1964 and 1970 in agricultural output is to come from animal husbandry--mainly meat, dairy products, and wool. These products accounted for nearly 50 percent of total exports during the 1961-65 period and for about 80 percent of total agricultural exports.

Foreign trade: Ireland's trade gap broadened during 1965 with merchandise imports exceeding exports by $430 million compared with a gap of $364 million in 1964. Ireland's exports expanded slightly from $607 million in 1964 to $610.5 million in 1965. Exports of agricultural products amounted to $356 million in 1965, down from the record $370 million in 1964, and accounted for about three-fifths of total exports.

Ireland's imports totaled over $1,041 million in 1965, a record level. Imports of agricultural commodities increased to $212 million. Principal agricultural imports continued to be live animals, wheat and feed grains, fruit and vegetables, tropical products, animal feeds, tobacco, and natural fibers.

Approximately 19 percent of Ireland's agricultural imports in 1965 were of U.S. origin. Agricultural imports from the United States totaled $40 million in 1965, slightly more than in 1964 and substantially greater than the average of the past decade. Tobacco, feed grains, oilcake and meal, and fruit were the most important imports from the United States.

The Irish Government has complete control over Ireland's foreign trade in grains and compounded feedstuffs. Imports and exports are controlled through a licensing system administered by the Department of Agriculture and Fisheries. Import licenses for grain are issued by the Department on recommendations from the Irish Grain Board. Exports of grain and manufactured mixed feeds are small and are primarily in border trade with Northern Ireland. The decline in hog production coupled with the bumper barley crop is expected to reduce the overall demand for imported feed grain, although demand may be somewhat bolstered by an increased demand for imported grains for poultry.

Irish cattle exports during 1966 were about the same as in 1965. Weak demand in the United Kingdom for feeder cattle reduced these exports below 1965's low level. This decline was offset somewhat by an increase in finished cattle exports. Fat cattle exports were aided by a Government export subsidy from August through November 1966.

Markets for cattle were a serious problem during 1966. Ireland had many more to sell than during the 2 previous years but export demand was weak. Factors involved in this problem were the wet spring which slowed weight gain and delayed marketing, a seamen's strike in the United Kingdom, and the economic restrictions imposed on the U.K. economy. However, the factor that probably weakened prices the most was the closing of the EEC market to Irish cattle and beef. EEC import levies imposed on cattle and beef from non-EEC countries stopped nearly all Irish exports to the EEC toward the end of 1966.

Outlook: Economic and political changes in Ireland's traditional markets are causing major problems for Irish agriculture. These events are compounding the problems of increasing agricultural production in Ireland and finding market outlets at remunerative prices for export commodities. There is some danger that the momentum built up over the past few years may be lost if additional markets are not soon found for cattle and beef. Half of all produce sold off Irish farms is exported and agricultural exports make up three-fifths of total domestic commodity exports. Outlet for the increasing agricultural production must, in general, be found in export markets, as domestic per capita consumption is already very high and the population is expanding slowly. Inflation is expected to be a continuing problem, and the fight against it will influence Government programs. (David W. Riggs)

ITALY

Economic situation: The improvements in the Italian economy noted in 1965 continued and intensified in 1966. While there are still weaknesses in some sectors of the economy, the Italian economy has recovered from the recession which prevailed in 1964 and early 1965. The rate of growth in GNP for 1966 has been estimated at 5.3 percent (in real terms), compared with 3.4 percent in 1965 and 2.7 percent in 1964. Industrial investment in 1966 has been estimated to have risen 6 percent, compared with a decline of almost 20 percent in 1965. Industrial production in 1966 increased approximately 10 percent. Construction, while still operating at relatively low capacity, began to show improvement.

In 1965, Italy had a highly favorable balance of payments of $1,670 million, and for the first 9 months of 1966, a surplus of $822 million was realized. At the end of 1966, Italy's reserves of gold and hard currency were estimated at over $6 billion.

The recent decline in the employed labor force has halted because of increased economic activity, but some labor problems remain. The stalemate in collective bargaining persisted throughout most of 1966. Unemployment in October 1966 was 3.5 percent of the labor force, slightly higher than in October 1965. Meanwhile, wages in agriculture were up 4 percent, industry 2 percent, and transportation 2 percent.

The general cost-of-living index rose 1.4 percent between September 1965 and September 1966. Wholesale prices rose 2.0 percent and retail prices 2.5 percent.

Agricultural production: Agricultural production increased 1 to 2 percent in 1966. Weather during the first half of 1966 was generally favorable for agriculture. However, dry weather was experienced during the second half of the growing season. Total production of bread grains in 1966 was estimated at about 10 million tons, and feed grains at about 4.5 million tons. The wheat harvest in 1966 was 4 percent smaller than the near-record crop in 1965, while the wheat acreage remained unchanged. Rye output approximated the level in 1965. A better than average rice crop of 700,000 tons was harvested in 1966, almost one and one-half times the size of the 1965 crop. The increase in the rice harvest resulted from both an expansion in acreage and higher yields than in 1965. While corn output increased 6 percent, barley and oats decreased about one-tenth.

Production of a number of crops declined in 1966. Olive oil production in 1966 is forecast to be down about one-fifth from that in 1965. Output of grapes for wine in 1966 was about one-tenth less than in 1965 but quality was good. Production of oilseeds and some pulses also declined. However, a gain of one-fifth in sugarbeet production was reported for 1966, primarily as a result of a 10 percent increase in acreage and adequate rainfall. Production of tobacco and vegetables also increased in 1966.

Production of deciduous fruits and citrus was reported to be fairly good in 1966 despite some damage during harvesting. The increases in output of apples and pears in 1966 were believed to have been 12 percent and 20 percent, respectively. Bumper crops were recorded in 1966 for peaches, plums, apricots, and cherries. The increase in output of citrus fruit was 3 percent.

Cattle numbers in Italy increased slightly to 9.3 million in 1966, compared with 9.2 million in 1965. Beef and veal production is believed to have increased by 6 percent to 600,000 tons in 1966. The number of hogs increased from 5.2 million in 1965 to 5.5 million in 1966. Output of pork in 1966 is estimated at 525,000 tons, an increase of 10 percent. There was little change in sheep and goat numbers in 1966 while a slight decrease was reported in the number of horses and other draft animals. In late 1965 and early 1966, an outbreak of foot-and-mouth disease in the Po Valley led to compulsory vaccination of half of Italy's cattle which checked the spread of this disease.

Milk production in 1966 is estimated at 9.8 million tons compared to 9.5 million tons in 1965.

Poultry numbers in Italy continued to increase in 1966, reaching almost 500 million of which 380 million were broilers. Production of eggs in 1966 is estimated at about 460,000 tons, with almost three-fifths of the total produced by commercial flocks. Turkey raising also expanded rapidly with over 1.5 million turkeys being raised in commercial enterprises.

In early November 1966, flooding caused serious damage in the Central and Northeastern regions of Italy, two of the most productive agricultural areas. It has been estimated that about 240,000 hectares of arable land were flooded and remained completely under water for at least a week, of which 10,000 hectares in the Po Delta were under sea water. Losses included some 20,000 head of livestock, 16,000 pieces of farm machinery, and 330,000 tons of forage, grains, and seeds in storage of which some were considered to be salvable.

Agricultural policy: The broad objectives of Italian agricultural policy have remained unchanged since initiation of the first

Five Year Agricultural Plan in 1961. The Italian Government uses various programs such as the Five Year Plan (Green Plan), and the Southern Development Fund in trying to reach its agricultural goals. The "Enti di Riforma," the land reform agencies, were replaced in 1965 by the "Enti di Sviluppo," the agricultural development agencies. The new agencies are charged with the responsibility of supervising and assisting the implementation of economic development including agricultural improvement programs on a regional basis. A 1964 law designed to abolish share tenancy is functioning although widespread criticism may lead to rather flexible interpretation. Under separate laws, Italian farmers enjoy certain types of tax exemption and a reduction in their contributions to social security. Other social benefits provided by the Government have been broadened to include insurance against sickness, accidents, and disability, as well as old age benefits; and, in late 1966, the payment of family allowances.

Since the EEC commodity regulations became effective changes have been made in price fixing, compulsory delivery quotas, price guarantees, production subsidies, and import restrictions. Wheat, olive oil, seed oils, feed grains, rice, dairy products, sugar, meat, and eggs are now under the respective EEC regulations. Tobacco marketing continues to be subject to Government monopoly, but this will probably be changed under proposed EEC regulations. Imports of wheat, flour, sugar, milk, butter, beef cattle, beef and veal, pork, certain types of fruit, and wine are subject to governmental approval when imported from a number of countries. Prices are fixed and production costs subsidized for sugarbeets.

Other forms of subsidy are: (1) tax exemption for fuel for farming purposes, (2) contribution towards the purchase of selected seeds, (3) a subsidy of 35 percent of the cost of fertilizer to farmers in mountain areas, (4) a subsidy of 45 percent for the construction of greenhouses, and (5) a reduction in rail and shipping charges for rice exports to non-EEC countries and for citrus and horticultural exports from the South to other EEC countries.

During 1950-65, the Southern Development Fund spent over $3.2 billion to implement its regional programs. In 1965, the Fund was extended for another 15 years, and a budget of $2.6 billion was proposed. The first Five Year Plan was designed chiefly to deal with irrigation projects and reforestation, and to provide subsidies and loans to encourage private enterprises. Farmers in mountainous areas received funds for the improvement of agriculture, particularly for expansion of livestock raising under the Second Five Year Plan.

Foreign trade: During the first 10 months of 1966, Italy's imports increased 18 percent to $7.1 billion. The substantial increase was due primarily to the replenishing of stocks of raw materials and larger purchases of agricultural products. During the same period, Italy's exports increased 12.8 percent, reaching $6.7 billion. Exports consist mainly of manufactured goods while imports are largely agricultural products and industrial raw materials. Imports of agricultural products were largely responsible for the trade deficit in this period. With rising incomes and a strong demand for livestock products, imports of meat and livestock in the 8-month period ending in August 1966 totaled nearly $400 million. If the value of feed grain imports ($200 million) were added, the total would represent one-half of the total value of agricultural imports in this period.

The Common Market accounted for more than one-third of total Italian foreign trade in the first three-quarters of 1966 and is gradually increasing its share. Exports to the other EEC countries in the first 9 months of 1966 rose by 15 percent compared to an overall gain in exports of 12 percent. Imports from the other EEC countries also rose more than the average. In the first three-quarters of 1966, Italy's trade surplus was $413 million with the other EEC countries and $180 million with EFTA countries. Trade with the Soviet Union and East European countries represented about 5 percent of Italy's total foreign trade. The United States continued to be Italy's second largest trading partner after Germany. During the first 9 months of 1966, the United States took 9 percent of Italy's total exports and supplied 13 percent of Italy's imports. In the previous 3 years, U.S. agricultural exports to Italy averaged $260 million annually while U.S. farm imports averaged about $60 million. Major U.S. agricultural exports were feed grains, followed by cotton, oilseeds, animal fats, wheat and flour, dairy products, oil cakes and meals, tobacco, and hides and skins.

Outlook: Backed by rising production, exports, and monetary reserves, the outlook for Italy's economy in 1967 is very favorable. The economic growth of 1966 is now considered as the start of the expansion phase of a new cycle. However, the growth rate of Italy's farm economy still lags behind that of the industrial sector. But with the steady rise in personal income, domestic demand for farm commodities continues to increase, especially for livestock products. This has resulted in larger agricultural imports which has added to Italy's unfavorable foreign trade balance. This is particularly true in the imports of livestock and feed grains.

Implementation of the Common Agricultural Policy in the EEC is posing difficult problems for Italian agriculture which is inefficient relative to agriculture in the other EEC countries. Italy has to exploit natural advantages in negotiating the Common Agricultural Policy on commodities which are important export items, mainly rice, fruits, and vegetables. For other commodities, such as meat, milk, and grains, Italy can expect to have a substantial trade deficit because of competition from other EEC members.

Italian agricultural investment policies still favor the underdeveloped areas in the South, although livestock and feed grains are predominantly in the North. Farm wage increases and prosperity in urban industry have sharply increased labor costs and agrarian reform laws have reduced managerial flexibility. At the same time, the exodus from rural areas has restricted the productive capacity of agriculture and reduced the political power of farmers.

In 1966/67, Italy's pattern of agricultural imports will continue to reflect recent trends. Wheat imports are expected to be around 1 million tons, including about 200,000 tons of durum. Other imports during 1966/67 are estimated as follows: corn, 4.5 to 5 million tons; oilseeds, 700,000 tons; beef and veal, 250,000 tons; pork, 40,000 tons; cotton, 245,000 tons; and tobacco, 13,000 tons.

The November floods will have some interim adverse effect on Italian agricultural production, but little noticeable adverse effect on the economy as a whole. Farmland in the Po Delta area which was covered by salt water from the Adriatic may be unsuitable for crops for several years. Probably the most serious effect on crop production in 1967 will be the reduction in wheat output. Estimates indicate that only about three-quarters of Italy's usual wheat acreage was planted due not as much to the floods as to the persistent rains throughout October and November 1966. Yields may also be reduced primarily due to poor germination in those fields planted during the rainy weather. Some sources estimate that the 1967 wheat crop may be reduced by 1.5 million to 2 million tons. The increase in imports of livestock and meat, foodstuffs, feed grains, and so forth to replace flood losses are expected to be considerable, but can be absorbed without undue difficulty because of Italy's strong balance-of-payments position. (Sheldon Tsu)

NETHERLANDS

Economic situation: GNP increased 5.5 percent in 1966. The economy in 1966 was affected by increasing inflation, capital shortages, and a deterioration in the external trade balance. However, restrictive economic measures were taken during the year and a slowdown in economic activity and some unemployment occurred during the last quarter of 1966. Rising wages and prices contributed to an estimated 4.5 percent cost-of-living increase during 1966. The rise was also attributed to higher rent and indirect taxes. Fiscal and monetary restrictive measures were proposed in 1966, particularly certain wage-price controls. The Government postponed certain hiring and spending programs as a further restrictive measure. The balance-of-payments deficit, which was $197 million in 1965, may have increased to about $220 million in 1966.

Heavy import demand and the embargo on livestock and meat exports in the first half of 1966 due to foot-and-mouth disease contributed to the increase in the deficit. However, increasing farm exports late in 1966 tended to reduce the size of the deficit.

Agricultural production: The index of gross agricultural production rose 6 points to 130 in 1965 (1957-59=100), with significant increases in animal and horticultural production. Agricultural production in 1966 is believed to have been somewhat larger than in 1965. The contribution of agriculture to gross domestic product in 1965 was 8 percent and has been declining. A declining farm labor force, intensive land use, and price policy designed to encourage production of important export products (mainly dairy) have been the factors chiefly responsible for increased agricultural productivity. Also, the number of small farms is continuing to decline.

Cool, rainy weather both in the fall of 1965 and in the spring of 1966 caused planting problems. Total grain area is estimated to have decreased by 5 percent during 1966. Acreages of mixed grains and rye declined by about one-fourth in 1966 and wheat by 6 percent. Also, acreages of oats, pulses, and feed beets declined moderately. On the other hand, the area sown to barley increased about one-fifth in 1966. This was due primarily to substitute plantings in response to bad weather, low producer prices for rye, and increased use of barley in mixed feeds. The narrowing in prices between barley and grain sorghums under the EEC threshold price system also contributed to the increase in barley acreage.

Spring grain sowings were delayed due to heavy rains and flooding. Holland experienced little winterkill for most field crops. The quality of certain grains, particularly winter barley and rye, was adversely affected by excess moisture.

Production of crops increased about 7 percent in 1966, with strong contributions from horticultural output. Total grain production in 1966 was about 1.6 million tons, 8 percent below the previous year. Wheat production is estimated at 597,000 tons, compared with 691,000 tons for 1965. Barley output in 1966 increased 12 percent above 1965 to 416,000 tons.

In 1966, estimated production of 400,000 tons of apples and 90,000 tons of pears in 1966 was about 12 percent larger than in 1965. Apple prices have weakened somewhat as competition in the export market has been keen. A total of 3.6 million tons of sugarbeets were harvested in 1966--slightly more than in 1965.

Total cattle numbers increased slightly to about 3.5 million in 1966, but the number of cattle on feed increased one-fifth. Much of the increase in certain kinds of animals was due to lower commercial slaughter rates, as most West European countries banned imports of live animals from the Netherlands for around 4 months because of foot-and-mouth disease. Slaughter of bacon hogs fell by 95 percent during the period that the U.K. market was closed to the Netherlands. However, despite an estimated 230,000 head of hogs destroyed because of the disease, a record 3.9 million animals were counted in May. Sheep slaughter declined almost 60 percent in 1966 as slaughterers responded to export restrictions. An oversupply of lamb and mutton, consumption of which is generally low, was aggravated by a consumer shift to beef and veal.

Production of beef and veal decreased slightly to 259,000 tons in 1966, due to the impact of foot-and-mouth disease. Pork production in 1966 was estimated at about 535,000 tons, slightly above that in 1965. Stocks of pork, mainly bellies, were about 6,800 tons at the end of 1966--much above normal. During the summer, extra export subsidies were granted for many pork items, with EEC agreement, to relieve the surplus.

Production of poultry meat, (about 80 percent of which is broilers) continued to increase, despite low prices. Holland, the world's largest poultry exporter in 1965, hopes for increased exports to Germany during 1967; after July 1, 1967, import levies on poultry will drop to zero under the EEC regulations. Germany is Holland's major export market for dressed poultry.

Milk production increased slightly in 1966 to around 7.3 million tons. Cheese represents one-third of total dairy production. Cheese production in 1966 was about 6 percent above 1965. The increase in cheese production was absorbed by exports; Dutch cheese exports were about 30 percent over 1965. Production gains were especially significant for Edam cheese. During the first 8 months of 1966, cheese exports to other EEC countries increased one-fourth compared with the same period in 1965, and exports to nonmember countries increased 35 percent. Butter output declined slightly to 98,000 tons as manufacturers shifted to more profitable cheese production. Canned milk production, which represents about one-sixth of total dairy production decreased by 56,000 tons or 5 percent, mainly due to declining exports of sweetened condensed whole milk to markets in southeast Asia.

Agricultural policy: Holland's agricultural policy is aimed at improving farm income and maximizing agriculture's contribution to the GNP through increasing agricultural exports. Increased exports, in turn, depend upon less restricted trade and maintenance of competitive prices. Structural improvements, land development schemes, and special retirement funds for small, marginal farmers have been employed. Research and educational facilities and advisory staffs have been expanded, and a Development and Reorganization Fund has been established to promote farm efficiency and assist farmers to retire at an early age.

Price and market policy, and the Netherlands' trade policy are coordinated with the CAP regulations in the Common Market. In general, policy is concerned with adjusting agricultural production to meet new conditions developing in the EEC.

Foreign trade: Total exports by the Netherlands in 1965 were valued at $6.4 billion, 27 percent of which were agricultural products. Agricultural exports of importance include dairy products, meats, eggs, and fruits and vegetables. Roughly three-fourths of the products exported by the Netherlands were shipped to other countries in Western Europe with about half going to EEC countries.

Imports totaled $7.5 billion in 1965--17 percent were agricultural products. Major agricultural imports are feed grains, tropical products, natural fibers, fruits and vegetables, and oilseeds.

The United States supplied 28 percent ($355 million) of the agricultural products imported by the Netherlands in 1965 and took 4 percent ($74 million) of Netherlands' agricultural exports. The United States is generally the main supplier of grains (62 percent in 1965) and oilseeds, competing mainly with Argentina and France for the former. The Netherlands was the major EEC market for commercial U.S. agricultural exports in 1965, and third behind Canada and Japan in world trade.[20] The United States supplied about 36 percent of the $59 million in wheat imported in 1965 and about 87 percent of the $112 million in corn.

Outlook: A somewhat lower rate of growth in GNP is forecast for 1967 than in 1966 because of certain factors which are tending to upset the equilibrium in the economy. General industrial expansion will continue, but is likely to be inhibited in 1967 due to the restraints imposed to curb present disequilibrium. An improvement in the balance of payments is projected for 1967.

Poultry exports may increase despite lower export prices. Stocks are relatively high and producers are shifting to poultry meat production as consumption continues to increase. Beef import demand may increase, as domestic demand is rising and high supports to the dairy producers have tended to discourage raising beef-type cattle. Also, restrictions on imports of certain U.S. beef cuts have been eased recently. Normal exports of live animals and meats have again been interrupted due to a recent outbreak of foot-and-mouth disease in Holland. This development may have an adverse effect on feedgrain imports. Cheese exports are expected to continue an uptrend, as a larger import demand has been noted from the United Kingdom and

[20] This ranking may change when U.S. export data are adjusted to account for grain and soybeans stored in Canada for re-export.

other European countries. Increasing volumes of milk deliveries in the Netherlands have been used for cheese. Demand for U.S. unmanufactured tobacco is likely to gain in strength as tobacco consumption increases. (Marshall H. Cohen)

NORWAY

Economic situation: Following relative stability in 1965, the Norwegian economy was faced with uncertainties in 1966 which led to a smaller real growth rate than in 1965. The real growth in GNP for 1966 was estimated at 5 percent (compared with 6 percent in 1965), about the same average annual rate envisioned in the long-term program for 1966-69. Inflationary pressures were evident, labor became scarce, and the growth of exports was limited by anti-inflationary policies of major trading partners, including the United Kingdom, Sweden, and West Germany. Gold and foreign exchange reserves on October 31, 1966 amounted to $445 million, an increase of 19 percent over a year earlier. Exports of manufactured goods contributed strongly to this increase.

The relative stability of prices and wages which was achieved in Norway during recent years appears to have been upset in 1966. New contracts which provide for a 5.5 percent increase in wages over a 2-year period triggered a new wage-price spiral. Since some wages are linked to the cost-of-living index, renegotiation of these contracts is likely if the index rises further. This index is heavily weighted by food (41 percent) and food prices have been increasing. An expansionary budget for 1967 may put pressure on cash reserves. The index of retail turnover rose 7 percent during the first 5 months of 1966, indicating strength in consumer demand. Metal and machinery exports were high since prices for these goods in Norway increased more slowly than in the purchasing countries. Demand for these exports is expected to continue to stimulate Norwegian production. Revenues from shipping were at record levels, while purchases of ships by Norway declined slightly in 1966. The 1966 current account deficit is estimated at $130 million, about one-fourth larger than in 1965, reflecting primarily a larger commodity trade deficit.

Agricultural production: Agricultural output, which rose 4 percent in 1965, is estimated to have decreased slightly in 1966. The grain crop, at 504,000 tons, was about 110,000 tons below 1965. Lack of rain during the summer in central Norway was the main reason for reduced grain yields. Barley production, which accounted for about 80 percent of total grains in 1965, declined by 16 percent to 405,000 tons. This crop was absorbed almost entirely by feed demands. Consumption of feed concentrates is at record levels, with the greatest increase in sales occurring in regions affected by bad weather. For the first 9 months of 1966, these sales totaled 703,000 tons and were 6 percent more than during this period in 1965. The potato crop was smaller, falling to about 1 million tons. The crop of apples, the most important fruit, fell to approximately 40,000 tons--about 7 percent below 1965. Winterkill was responsible for the reduced output. However, the quality of the apples was good. Pears were one-fourth below the 1965 level, while plums increased sharply. Vegetable production, mainly cauliflower and cabbage, rose 2 percent to 139,000 tons.

Milk production, which accounts for about 40 percent of total agricultural output, increased slightly to 1.7 million tons, about the same level as the 1963-66 average. Improved breeding and feeding practices have raised productivity per cow, tending to offset the effect on milk production of the decline in numbers of dual-purpose cows. About half of the milk delivered to dairies is used to produce cheese and butter. Total cattle numbers declined 3 percent to around 1 million in 1966, largely due to declining milk cow numbers.

Although specialized beef production has been encouraged in recent years, short supplies of veal may necessitate some imports. Norway remains relatively self-sufficient in beef, pork, and mutton, and production patterns have remained steady in recent years. Total meat output was 135,000 tons in 1966, not significantly different from the past 2 years. Beef and veal output was 56,000 tons and pork 59,000 tons in 1966. No significant shifts in production are expected in the near future, due to the extreme fragmentation of the land, a stable population, and a continuing agricultural policy of maintaining a certain level of self-sufficiency for home-produced products. However, bread grain self-sufficiency has decreased since World War II as feed grain production has been encouraged.

Agricultural policy: The two main objectives of Norwegian agricultural policy are, (1) to stimulate production in order to make Norway relatively self-sufficient in certain products without producing surpluses, and (2) to provide the farm population with a standard of living comparable to that in other sectors.

Many methods are employed to implement national policy. They include price supports, aids to farmers in mountainous areas, special fertilizer supports, rebate schemes (particularly on purchased feeds), market regulations, and import restrictions on products which compete with domestic output. The latter apply especially to meat, dairy products, eggs, and poultry. Unlike many European countries, Norway favors the small farmer for strategic as well as social reasons. The Norwegian Farmers Union recently proposed a bill to limit Norwegian farm operations to fixed maximum numbers of animals and poultry. Also, the dairy subsidy is weighted to favor the small farmer. Rationalization of the farm sector has been slow because of the generous support measures to small farmers as well as the natural limitations imposed by the environment. Nevertheless, the income gap between large and small farmers continues to widen, and small farmers in certain areas continue to move--albeit slowly--out of agriculture.

Prices for major farm products are determined through negotiations between the Government and the Farmers Unions and are formalized in a biennial Agricultural Agreement. The latter may be renegotiated as the cost of living changes. In April 1966, negotiations for the agreement resulted in price increases which are likely to raise farm income by 10 percent in 1966/67. The increased prices are expected to raise the cost-of-living index by 1 to 2 percent.

Foreign trade: Norway imports half of its food needs (on a caloric basis), principally cereals, oilseeds, feed, sugar, coffee, fruits and vegetables. In 1965, total agricultural imports were valued at $246 million, of which $45 million (18 percent) were of U.S. origin. Record wheat purchases from the United States were made in 1966. There may be some increase in the variety of agricultural products imported by Norway from the United States. During preliminary GATT discussions recently, Norwegian officials mentioned the possibility of reducing or removing import restrictions on selected products, including rice, and fresh and processed fruits and vegetables.

Total imports were valued at $2.2 billion in 1965, while total exports were $1.4 billion. About 9 percent of the latter were shipped to the United States. Agricultural exports were mainly livestock products, fish, and hides and skins.

Norwegian trade has been increasingly directed towards its EFTA partners. In 1966, all protective tariffs and quotas on manufactured products were abolished, 3 years ahead of schedule. EFTA countries now take about 45 percent of Norway's exports, and the EEC countries 24 percent. The terms of trade between Norway and the EEC have been less favorable to the former, a result of high tariff walls imposed by the EEC.

Outlook: The problems afflicting the Norwegian economy in 1967 are, in some respects, similar to those in other Scandinavian countries. Financing expanded industrial activity may be difficult due to tight international and domestic money markets, and import demands, especially for new ships, may adversely affect the delicate payments position. An expansionary budget applied to an economy where labor is still tight and certain sectors--notably building--are fairly overheated, may neutralize anti-inflationary measures. However, increased foreign demand for Norwegian goods is forecast in the 1967 budget. Both prices and average hourly incomes are likely to continue to increase, and attempts to moderate wage demand are likely.

The agricultural sector will continue to constitute a declining proportion of gross fixed asset formation, and structural changes in agriculture are slow, due to environmental restraints and maintenance of traditional policy. Trade prospects may improve for specific commodities as liberalization continues, particularly for meats, bread grains, and fruits and vegetables. Increases in feed imports are certain during 1967 as feed sales and consumption are rising while grain production fell in 1966. Planned imports of feed grains are estimated at 245,000 tons for 1966/67. The relationship between the EFTA countries and the EEC is likely to be more precisely defined in the next few years. Until this time, when Norway's position is clarified, prospective trade patterns are unlikely to be radically altered. (Marshall H. Cohen)

PORTUGAL

Economic situation: The Portuguese economy grew at a somewhat slower rate in 1966 than the 7 percent (constant prices) realized in 1965.[21] The overall rate, however, still approximated the annual average rate of 6.1 percent established in the Interim Plan (1965-67). Total industrial production in 1966 rose about 6.5 percent.

The Portuguese economy experienced inflationary pressures in 1966. The wholesale price index for Lisbon was 4 percent higher in August 1966 than a year earlier, including a 5 percent rise in food prices. Wages in most branches of the economy, including agriculture, showed significant increases during the first half of 1966.

Portugal's financial position in 1966 remained strong. Gold and foreign exchange reserves passed $1 billion. Balance of payments in 1966 is believed to have approached the $81 million surplus in 1965.

Agricultural production: Agricultural production in 1966 decreased by about 5 percent (constant prices). Portuguese agriculture in 1966 suffered from unfavorable weather for the third consecutive year.

Harvests were poor in 1966 for most cereals, pulses, grapes, olives, and potatoes. The wheat crop in 1966, at 306,000 tons, was less than half as large as the good crop of 1965. Production of rye, barley, and oats was over one-fifth below 1965.

The decrease in cereal output was primarily attributable to adverse weather which caused a reduction in acreage and lower yields than in 1965. Most of the wheat in Portugal is fall sown; heavy rains and floods during seeding and early in the growing season resulted in a reduction of 12 percent in wheat acreage. The area under rye, barley, and oats in 1966 was down 7 percent from 1965. The weather also reduced the yield of most small grains.

The corn crop in 1966 benefited from the good supply of soil moisture; production of corn in 1966 was about one-third larger than the poor crop in 1965.

Production of rice in 1966 was 17 percent larger than the 136,000 ton crop in 1965. The pulse harvest in 1966 was about equal to the 1965 crop.

The potato crop was 12 percent above 1965 and close to the preceding 10-year average. There was an 11 percent increase in the 1966 potato area.

Production of other crops varied. Orchards and vineyards were adversely affected by weather conditions. Production of wine, olive oil, and most fruit crops in 1966 was considerably below 1965.

In 1966, livestock raising in Portugal benefited from good pastures. However, production of dairy products decreased during 1966 because of a decrease in cow numbers.

[21] In this report, Portugal excludes the Overseas Provinces.

As a result of some rebuilding of herds in 1966 after heavy slaughtering during the previous drought years, beef and veal production in 1966 decreased 12 percent from 1965.

Agricultural policy: There were no major policy changes in 1966. Portugal's agricultural policy in 1966 continued to aim for the long-term objectives: (1) modernization of agriculture, (2) increased agricultural production, and (3) a higher level of living for the rural population. Support prices for grains, particularly wheat and corn, were increased substantially for the 1966 harvests. The livestock policy for 1966 remained basically unchanged from 1965, with continued emphasis in policy statements focused on increasing production of livestock products, particularly meat and milk. The Government extended limited amounts of credit, at low interest rates, to producers interested in purchasing breeding cattle or making farm improvements.

The Government continued to regulate the prices of most basic agricultural commodities; to restrict the area of rice and vineyards; and to discourage production of crops whose production it wishes to encourage in the Overseas Provinces.

In 1966, the Government announced the creation of some additional committees to assist in increasing agricultural productivity. It set up Regional Agricultural Committees to promote the formation of associations of agricultural producers and to assist in the reorientation of production of agricultural crops. These committees are expected to regulate and advise on the extension of financial assistance to farmers who agree to follow improved farming methods.

Foreign trade: In 1965, Portugal's imports increased 19 percent to $923 million and exports rose 12 percent to $576 million. Agricultural trade in 1965 accounted for one-fourth of total imports and slightly more than one-sixth of total exports.

Portugal's trade deficits have widened in recent years. The trade deficit for 1965 was $297 million (f.o.b.), up from $214 million in 1964 and $161 million in 1962. In 1965, agricultural imports amounted to $235 million, or 16 percent over 1964. Exports of agricultural products increased gradually from $66 million in 1962 to $78 million in 1964, but in 1965 rose rapidly to $94 million.

Portugal's main agricultural exports in 1965 were wine, olive oil, tomato paste, and fruit. The principal markets in 1965 for agricultural exports were Western Europe, particularly West Germany and the United Kingdom. Agricultural exports to the United States in 1965--mainly wine, tomato and fig paste, and olive oil--amounted to $8.3 million, or about one-tenth of total agricultural exports.

Fibers (mainly raw cotton), grains, oilseeds, and animal and vegetable fats and oils were the main agricultural imports in 1965. Portugal's meat imports in 1965 were valued at $9.4 million, nearly one-third over the preceding 3-year average.

The Overseas Provinces provide the bulk of Portugal's total agricultural imports. In 1965, the United States supplied about one-tenth of total agricultural imports. However, imports of two important commodities declined: wheat was down one-half to $9 million, largely as the result of increased domestic production; and cotton was less than one-third of the total in 1964 because of imports from other countries.

Outlook: Portugal's agricultural imports in 1966/67 are expected to increase, continuing the uptrend. This is due largely to the failure of domestic agriculture to adapt itself to the demands of the consumer and to a succession of unfavorable weather conditions during the last 3 years.

Imports of grains in 1966/67 are expected to be one-fourth higher than in the previous year, whereas imports of rice, pulses, and potatoes will be smaller. The extremely low production of wheat in 1966 coupled with increasing consumption will likely result in import needs of well over 400,000 tons, as compared with 208,000 tons in 1965/66. Despite the increased production of corn, total production of feed grains will still be below domestic requirements. Imports of feed grains in 1966/67 could approach last year's high level of 350,000 tons. The Overseas Province of Angola which has been supplying the bulk of Portugal's corn imports had a poor crop in 1966. The use of feed grains and mixed feeds has expanded rapidly in recent years to a total of about 500,000 tons in 1966, and continued expansion is expected during the coming year.

The Portuguese market for some other agricultural products in 1966/67 will vary from the previous years but continue to grow. Because of the increase in potato production, imports of potatoes for consumption will be below the 29,000 tons imported in 1965/66. The rice crop in 1966 was good but still below normal, and imports of about 20,000 tons may still be required before September 1967. Imports of oilseeds and peanuts, which totaled 143,000 tons in 1965, will continue to increase in order to meet the rising demand for high protein feeds and to cope with lower production of olive oil. Much of the oilseed imports will be from the Overseas Provinces; however, the provinces seem to be increasingly unable to meet Portugal's growing needs. Imports of meat will continue to increase. Despite a continued increase in the Overseas Provinces' share of the tobacco market in Portugal, total imports from foreign countries will continue to grow. The U.S. share of the Portuguese tobacco market was about half in 1965. Portugal's imports of tallow will likely continue at 1965's level of $2.2 million, with the U.S. remaining nearly the sole supplier. (James Lopes)

SPAIN

Economic situation: Economic growth in Spain continued at a very rapid rate in 1966. GNP grew in real terms by about 9 percent, compared with 8 percent in 1965, and the average of 6 percent called for in the 1964-67 Development Plan. Growth in the industrial sector exceeded 10 percent in 1966. Per capita income in 1966 surpassed $630, an increase of approximately 40 percent since the initiation of the Plan.

Spain's rapid economic growth in 1966 was accompanied by persistent inflationary pressures, mostly the result of excessive consumption and investment demand. Increased food imports and tightened credit in addition to other controls slowed price increases early in 1966 but, by mid-1966, prices began to rise. At the end of November 1966, the cost of living in Spain was 4.6 percent higher than in December 1965. The wage-price spiral was not arrested, and the sliding-scale clause in some wage contracts accelerated inflationary pressures. While credit by the commercial banking system was sharply reduced, credit from savings banks and public institutions continued to increase.

Spanish trade deficits have widened in recent years. The trade gap (customs basis) widened in 1965 by $747 million to reach $2,037 million, and in 1966 probably approached $2.4 billion.

In 1965, Spain experienced the first balance-of-payments deficit since the Stabilization Program of 1959, and the deficit in 1966 was probably even larger. The balance-of-payments deficit for 1966 is currently estimated at about $250 million, nearly twice the size of the deficit in 1965. This could result in a drop of about one-fifth in Spain's gold and convertible foreign currency reserves to about $1.1 billion.

Progress in the agricultural sector under the Plan has been much slower than the industrial sector, partly as a result of unfavorable weather in 1964 and 1965. Also, investments in agriculture were one-third short of the planned level. However, considerable progress was made in pest control, irrigation, and soil conservation. Mechanization of agriculture also increased rapidly. In 1964 and 1965, the number of tractors increased by 35,000 to a total of 148,000.

Agriculture continued to suffer from undercapitalization and low investment levels, defective farm structure, and stagnating production of the high-quality foodstuffs. In addition, there were surpluses of wine, rice, wheat, citrus, and low quality cotton.

Agricultural production: Agricultural production increased about 6 percent in 1966, more than double the growth in output in 1965. This increase in output was the result of more favorable weather and higher prices for many farm products. Agriculture provides employment for one-third of the 12.5 million working population and contributes more than half of total exports.

Production of grains, including rice, totaled 9.3 million tons in 1966--5 percent more than in 1965. Production of feed grains, at 3.8 million tons was more than one-tenth over 1965. The increase in feed grain production was attributed mainly to barley, which increased by nearly one-sixth. The wheat crop, at 4.8 million tons, was only slightly larger than in 1965. Production of rice was 5 percent larger than in 1965.

Output of other crops varied. Production of potatoes was slightly higher than in 1965. Production of sugarbeets in 1966 was about 4 million tons, slightly larger than the crop harvested in 1965. Production of pulses in 1966 increased sharply from the low level of 1965, mostly the result of substantial increases in the production of lentils and chickpeas. The tobacco crop was adversely affected by blue mold, and production in 1966 was substantially smaller than in 1965. Production of olive oil is expected to be about 60 percent larger than the 314,000 tons produced in 1965.

There was a good fruit and vegetable crop in 1966. Production of citrus fruit in the 1966/67 season is expected to be almost one-fourth larger than in the previous year. Output of deciduous fruit (except apricots, peaches, and plums) and vegetables was good, as growing conditions were excellent. Production of dried fruits--raisins, apricots, and figs--was significantly smaller than in 1965.

Livestock feed was in relatively good supply because of abundant rainfall during the first half of 1966. As a result, production of animal products increased. Meat production, including poultry, increased 5 percent to about 775,000 tons, due mainly to an increase in the output of poultry and pork. Output of dairy products also increased.

Agricultural policy: Spanish agricultural policy in 1966 continued to seek mainly the goals of the Development Plan: (1) increased production and yields of crops; (2) increased output of livestock products; and (3) higher standards of living of the rural population. Other measures pursued were: training and education, improved marketing facilities, including the construction of a network of cold storages, and assistance to underdeveloped rural areas.

In 1966, the Government continued to use price supports, levies, acreage controls, and market regulations to encourage agricultural production. Some commodities--wheat, hops, and tobacco--continued to be controlled by State monopolies.

There were a few minor changes in the agricultural policy in 1966. The Government adopted new measures including higher support prices for feed grains, edible oils, and eggs and new market regulations for rice, cotton, and wine. The Government established a new contracting system for sugarbeets which takes into account sugar content rather than payment simply on the amount of sugarbeets produced.

The new regulations for grains place greater emphasis on feed grains through higher support prices, more production subsidies, and more credit to producers. The new market regulations for cotton and rice tend to discourage production of low-quality cotton and surplus rice.

The Spanish trade policy remained protective for agriculture, though there were periodic suspensions of duties or reductions in tariffs on agricultural products in short supply.

Foreign trade: Foreign trade statistics for Spain show a continuation of the sharp uptrend in imports in 1965 but little change in the level of exports. In 1965, Spain's imports, at $3,003 million, were nearly one-third greater than in 1964, while exports increased only slightly to $967 million. The apparent stagnation in exports by Spain in 1965 was mainly the result of the poor agricultural year in 1964.

Spain has increasingly become a net importer of agricultural products in recent years. In 1965, the gap in agricultural trade (custom basis) amounted to $214 million. Spain's imports of agricultural products at $651 million in 1965 accounted for nearly one-fourth of total imports. Major agricultural imports by Spain in 1965 were feed grains, meat and meat preparations, oilseeds, natural fibers, and tropical products.

Agricultural products normally account for about half of Spain's total exports. Agricultural exports amounted to $436 million in 1965. Exports of fruit--mainly oranges--and vegetables in 1965 accounted for nearly three-fourths of agricultural exports. Other important agricultural exports were wine, olive oil, and table olives.

European countries provide about one-fourth of all agricultural products imported by Spain. Grains and livestock products, including cheese, account for the bulk of imports from European countries.

The United States has been an important supplier of agricultural commodities to Spain. In 1965, imports of U.S. farm products amounted to $203 million, or close to one-third of total agricultural imports. Two-fifths of the agricultural imports from the United States were feed grains and two-fifths were oilseeds and oilseed products.

The EEC countries have been major markets for the farm products of Spain. About 40 percent of all Spanish exports go to the EEC countries; a large percentage of these exports are agricultural products.

The United States is also an important market for Spanish agricultural exports, taking $40 million, or almost one-tenth of total agricultural exports in 1965. Table olives, olive oil and wine accounted for most of the agricultural exports to the United States in 1965.

Outlook: In spite of better crops in 1966, Spain will continue to need sizable imports of feed grains, soybeans and other oilseeds for crushing, tallow, and cotton. Prospects for a large crop of olive oil in 1966 and large carryover stocks will likely minimize import needs for vegetable oils in 1967. (James Lopes)

SWEDEN

Economic situation: Economic growth slowed to 3 percent in 1966 from 3.7 percent realized in 1965, due largely to the cold winter which slowed industrial activity and shipping, and restrictive economic policies designed to curb inflation.

Labor shortages persist in several key sectors in Sweden, a country where unit labor costs are among the highest in Europe. Rising wages have produced higher costs and prices. In September 1966, the cost of living was 5.7 percent above a year earlier with rising food prices and housing rentals contributing strongly to the increase. The 1966 agreement between the Trade Union Federation and the Employers' Confederation resulted in negotiated wage increases of about 8 percent. Threats of major strikes and lockouts preceded the agreement.

Restrictive policies adopted to reduce demand--particularly in the building and the engineering sectors--included tax increases, a smaller Government budget, credit restrictions, and raising the bank rate to 6 percent. The Minister of Finance, when presenting the revised budget to Parliament in April, stressed the government's goals of restoring the balance on external accounts by 1970 and of remaining competitive in world markets. Since rapid industrialization has been correlated with increased imports, balance-of-payments problems may curtail growth in the short run. The deficit in the trade balance was estimated at $289 million for the first 9 months of 1966, about 20 percent less than during the corresponding period in 1965. Sweden's economic performance should improve if better prices are obtainable abroad for base metals and forest industry products.

Agricultural production: Agricultural output declined sharply in 1966. The decline resulted mainly from a sharp decrease in grain production, particularly winter wheat.

Total grain production declined to 3.3 million tons, one-fourth less than in 1965. Reduced seedings and severe winterkill reduced the wheat crop almost half from that in 1965 to 586,000 tons in 1966. The potato acreage declined and production of potatoes dropped by 22 percent to 1.2 million tons, while sugarbeet output increased by 7 percent to 1.4 million tons due to higher yields.

Red meat production in 1966 was 397,000 tons, about 21,000 tons above the amount produced in 1965. Larger output of beef and veal (to 170,000 tons) resulted from increased slaughtering of cattle in anticipation of declining dairy profits and a consumer shift to beef and veal as pork prices increased. Favorable pork prices early in the year contributed to a slight increase in the number of hogs--to 1.9 million head--but pork output for the year increased only moderately, to 225,000 tons.

Poultry numbers declined slightly in 1966 as egg prices were depressed early in the year. Poultry meat production, estimated at 22,000 tons in 1966, only slightly above 1965, was sufficient for domestic consumption.

The contraction of dairy herds and decline in milk production are likely to continue as a reaction both to forthcoming policy changes and to difficulties in foreign markets, notably in EEC countries. Milk production dropped slightly, to 3.6 million tons, in 1966. The price of butter continued to fall as surpluses mounted. Nevertheless, declines in butter consumption are expected to continue as consumers shift to margarine because of its lower price. Increased usage of fats and oils was almost exclusively due to increased margarine consumption. Total disappearance of butter is estimated at 88,000 tons in 1965/66, compared with 132,000 tons of margarine.

Agricultural policy: Sweden's agricultural policy reflects both industrial progress and severe inflationary pressure. Present policy maintains some of the objectives established by Parliament in 1947: namely, that the prosperity realized in the industrial and service sectors is to be shared by the farm sector, and that farm operations are to be adjusted to promote efficient enterprises while maintaining a certain level of self-sufficiency (currently 92 percent). The "income objectives" are being implemented by a complex pricing formula developed during the 6-year agricultural program which expired in 1965. These objectives have been modified to ensure "inflation protection," and protection against significant declines in world prices for agricultural products. Farm subsidies, which apply to most of Sweden's farm output, are financed largely from import levies. These levies are adjusted annually, or when the difference between world market prices and domestic prices differ by 3 percent or more for 3 consecutive months, and are pegged in relation to producer costs and world market prices. The levy adjusts variations between an average, or "middle", wholesale price in Sweden and world market prices. Acting under this adjustment process the Government raised import levies by 8 percent in May, applying the increase mainly to meats, dairy products, and wheat and rye. The effect of the adjustment may have resulted in an increase in the consumer price index of 0.3 percent for 1966.

A dramatic shift from traditional policy was recommended by the Agricultural Policy Committee in June 1966. The proposal, which would become effective on September 1, 1967, includes the following changes: (1) reducing self-sufficiency to around 80 percent (caloric basis); (2) curtailing production of sugar, potatoes, butter, and certain fibers; (3) abolishing price supports for milk; (4) improving agricultural efficiency by abolishing certain subsidies to small farms and granting funds to retrain farmers who leave agriculture.

The new policy is expected to release resources to the industrial sector, reduce treasury costs, and increase agricultural trade in certain commodities. Agriculture's contribution to the GNP is projected to decline from 3.2 percent in 1964, to 2.3 percent by 1970.

Foreign trade: In 1965, the United States maintained a 10 percent share of Swedish imports, and took 6 percent of Sweden's exports.

The values of these shares were $416 million and $240 million respectively, largely representing industrial goods. Sweden's agricultural imports from the United States, primarily fruits and vegetables, cereals, tobacco, and natural fibers, totaled $54 million in 1965, about one-fourth below the 1964 level due to declines in tobacco and cereals. The U.S. share of Sweden's total agricultural imports in 1965 was 10 percent. Sweden's major agricultural imports include fruits and vegetables, tropical products, and meat.

Sweden's trade is increasingly directed toward the other EFTA partners. During the first 7 months of 1966, EFTA countries took 41 percent of Sweden's exports and supplied 34 percent of her imports. The EEC has retained a large share of Sweden's trade, and Germany is Sweden's most important single trading partner. However, agricultural exports to the EEC, especially of dairy products, have declined as a result of restrictive import policies of the EEC. In recent months, considerable attention has been given to a solution of EFTA-EEC trade problems, with emphasis on EFTA's alternatives to EEC entry. Further discussions in this area are anticipated during 1967.

Bilateral trade agreements--though of declining importance--are still in effect. In 1965 Sweden concluded a trade agreement with the Soviet Union for 1965-70. Other countries trading under bilateral agreements are the Ivory Coast and several East European countries. Also, certain concessional agreements are maintained with Denmark.

Sweden's agricultural offers in the Kennedy Round of GATT negotiations include duty reductions of at least 50 percent for certain canned fruits, fruit juices, and cigarettes.

Outlook: Although a further moderate slowdown in economic activity and continued restraint in economic policy are likely in 1967, the general growth of industrial investment and increases in farm and nonfarm incomes will likely continue. New farm policies reducing production of certain crops, coinciding with rising incomes and population increases, will result in increased trade potential for certain agricultural products. The potential for increased agricultural imports from the United States is good, especially for processed meats, canned fruit and fruit juices, rice, canned corn, lemons, tobacco, and textile fibers. Prospects for U.S. soybeans are also good, as domestic utilization of margarine continues to increase. As the broiler industry expands, there is some likelihood that the demand for low-priced U.S. corn in the Swedish market may gradually increase. Swedish cattle slaughter will increase in 1967 as producers respond to likely policy changes. Consequently, meat output will increase, and the buildup in butter surpluses will decrease. Beef supplies, although now adequate, are expected to decline in the next few years. (Marshall H. Cohen)

SWITZERLAND

Economic situation: The "overheating" of the economy, which had been Switzerland's major economic problem in recent years, has lessened significantly. GNP is estimated to have increased about 4.2 percent in real terms in 1966. Industrial production increased 4 percent, with a reduction in the foreign labor force the main restraint on the economy. Exports, which equal nearly 20 percent of Switzerland's GNP, rose 12 percent in 1966. Aside from export demand, the most important expansionary element in the economy was increased Government spending. In 1966, monetary policy was tightened to reduce inflationary pressures.

Gold and foreign exchange holdings on October 31, 1966 were $2.9 billion, down from $3.2 billion at the end of 1965.

Agricultural production: Agricultural output increased about 3 percent in 1966. Switzerland had relatively favorable weather for crops in 1966, although frequent rains in August delayed the harvest of certain crops, particularly in mountainous areas. However, the weather improved in the latter part of the harvest season, resulting in yields and quality of the grain crop being about average.

Total grain production was slightly larger than in 1965, amounting to almost 600,000 tons. The area and production of wheat, corn, and barley increased in 1966, while those of rye, oats, and meslin remained about the same. The sugarbeet crop increased about 20 percent in 1966, while the harvests of potatoes, fodder roots, hay, and tobacco were approximated at 1965 levels. On the other hand, the harvest of deciduous fruits, except apricots, increased by about 15 percent in 1966. Production of apricots declined by 20 percent.

Cattle and sheep numbers increased during 1966, but goats, hogs, and horses declined. A 10 percent decrease in hog numbers was due to the 1965 outbreak of foot-and-mouth disease which continued into the spring of 1966. In spite of the slaughter of about 16,000 head of cattle because of foot-and-mouth disease, cattle numbers increased slightly to about 1.8 million in 1966.

Milk production in 1966 was about the same as in 1965. The trend toward using less fluid milk for human consumption and animal feed probably continued. Output of cheese and butter most likely increased, as did that of nonfat milk, and whole milk powder. Poultry meat output increased significantly, while egg production was about the same as in 1965.

Agricultural policy: Switzerland's agricultural policies have attempted to maintain efficient family farms. Special attention is given to farmers operating in mountainous areas, where production costs have been rising much faster than prices of farm products. In general, farm income has fallen behind incomes in other economic sectors. A steady flow of people from rural to urban areas has had a dampening effect on increases in agricultural output. In addition, Swiss agricultural exports have been hurt by restrictive policies of importing countries. In view of these developments, the Government realizes that the problems of rural areas cannot be solved by agricultural policies alone; secondary industries must be developed, communication improved, and long-term regional economic plans instituted.

The Swiss Government uses a variety of measures in support of agriculture. Funds are provided under the land improvement programs to help pay for such activities as land reclamation, building roads, and installation of water and electric facilities in rural areas. The Government provides low-interest loans for farm improvements. Agricultural investment credits were increased by 60 percent to $93 million, effective October 10, 1966. Such activities as training schemes, advisory services, and research also are used to improve basic agricultural conditions.

Agricultural trade restrictions include import quotas on livestock for slaughter, meat, wine, potatoes, and certain types of flour. Import levies are imposed on feedstuffs, fats and oils, and certain dairy products. Importers are required to purchase domestically produced eggs, whole milk powder, casein, and poultry when possible before importing these products. Imports of fresh fruits and vegetables are adjusted according to the availability of domestic supplies.

Foreign trade: During the first 9 months of 1966, Swiss imports totaled $2.9 billion, 7 percent higher than during the corresponding period in 1965, while exports totaled $2.4 billion, an increase of 12 percent. Switzerland trades predominately with other European countries. In 1964 and 1965, EEC countries supplied an average of about 60 percent of all Swiss imports and took 38 percent of all Swiss exports. The corresponding figures for the EFTA countries were 16 percent and 20 percent. West Germany is by far Switzerland's most important foreign supplier, followed by France, Italy, and the United States.

In 1964 and 1965, Switzerland's total agricultural imports averaged almost $700 million (19 percent of total imports), with the United States supplying only 8 percent. In the same period, Swiss agricultural exports averaged about $130 million (5 percent of total exports), with the United States purchasing about 10 percent. U.S. agricultural exports to Switzerland in 1965 were led by tobacco ($10.5 million), followed by feed grains ($6.8 million), wheat and flour ($6.7 million), cotton ($5.8 million), fruit preparations ($5.0 million), and oilseeds ($4.4 million). Cheese--the predominant Swiss agricultural export--was the chief item imported by the United States.

Outlook: The outlook for the Swiss economy in 1967 is for some further slowdown in the rate of growth in GNP. Economic performance in Switzerland will depend on control of inflationary pressures, further modernization of Swiss industry, the level of government spending, and favorable world markets for Swiss exports.

Imports of both feed grains and wheat for feed are expected to rise further, since the use of feed concentrates has been increasing in recent years. The outlook for further gains in U.S. grain exports to Switzerland remain good. Increased corn imports will come from EEC countries and from the United States. The outlook for U.S. exports of oats and barley to this market is also reasonably good. The United States will continue to enjoy its sizable share of Switzerland's leaf tobacco imports.

The U.S. share of Swiss rice imports is likely to remain near 50 percent. In 1965, the Swiss imported 20,000 tons of rice.

Continuing increases in domestic meat production will further reduce imports of beef and pork. (Sheldon Tsu)

UNITED KINGDOM

Economic situation: For several years the British economy has enjoyed neither satisfactory growth nor price stability. It has suffered simultaneously from both stagnation and inflation. The Government has introduced a series of deflationary measures including a freeze on prices, wages, salaries, and dividends to reduce inflation and strengthen the pound sterling. These measures have put the economy on the "stop" side of a recurring stop-go economic cycle. Although these restrictive measures are leading to the desired redress in the balance of payments and the stabilization of sterling, it has meant limiting the growth of GNP to 1 percent or less in 1966. One of the first effects of these measures was a reduction in consumer purchases on credit. Demand for automobiles and other durable consumer goods fell sharply, causing unemployment to rise. Total consumer expenditure in 1966, therefore, did not increase as much as in 1964 and 1965. Expenditures for food were probably less affected than expenditures in other sectors.

Agriculture, though a major industry, forms a smaller part of the economy than in any other country. It employs less than 900,000 people, about 3.5 percent of the active population, and contributed less than 3.5 percent of the GDP in 1965. There are about 450,000 agricultural holdings of which about 400,000 are significant units covering a total of 12.4 million hectares of crop and grass land. However, almost half of total agricultural output is produced by 42,000 large farms that occupy 40 percent of the total acreage.

Agricultural production: Net agricultural output increased only about 2 percent in 1965. A similar increase is believed to have been realized in 1966. But British agriculture has been achieving higher levels of production and efficiency in recent years. Although weather has been unfavorable at key periods during the past few years, the progressive introduction of modern technological measures by farmers has served to moderate the effects of bad weather. Fluctuations in grain yields must now be measured against a steeply ascending trend line made possible by improved varieties and cultural practices. Total grain production has increased in each of the past 8 years, from 9.4 million tons in 1959 to 13.8 in 1966. The increase in 1966 was due entirely to a record barley crop of 9.1 million tons, as weather in the fall of 1965 caused a reduction in the area sown to wheat. Output of other grains in 1966 was about the same or a little below that in 1965.

Weather during the harvesting season was generally favorable. In 1966, yields of many crops, although below those obtained in 1965, were above the average of the past 10 years. Quality of the grain was relatively good, with low moisture content at harvest.

Production of potatoes and sugarbeets decreased somewhat and roots appreciably because of a smaller acreage. Hay quality was lowered by wet weather; nevertheless, yields were improved. Pastures were quite good in 1966; apple and pear production was somewhat less than in 1965.

Cattle numbers in the United Kingdom increased only 3 percent between June 1965 and June 1966, reaching 12.3 million. Dairy cattle increased at a rate less than 3 percent, while beef-type cattle increased at a faster rate. Since beef-type cattle still provide only a small portion of total beef output, a change in dairy cattle numbers has the greatest impact on changes in beef production. The number of sheep seems to have stabilized at around 30 million.

There was a serious outbreak of foot-and-mouth disease in the United Kingdom during 1966, occurring in the area along the Scottish border. More than 45,000 head of diseased or exposed cattle and sheep were slaughtered.

Red meat production during 1966 apparently increased relatively little. The beef position eased to a marked degree late in 1966 mainly due to the ending of cattle exports to Europe. Pork was in short supply by the end of 1966. The generally tight red meat situation has prompted a significant increase in poultry meat production over the past several years. The number of chickens, particularly broilers, has increased rapidly. Poultry and egg production is becoming increasingly concentrated in the hands of large specialized producers, and this has tended to reduce seasonality in egg production. There was very little response to the high egg prices at the end of 1965 in the hatching of chicks for laying flocks; total egg production in 1966 was little greater than in 1965.

Agricultural policy: The 1966 agricultural policy year began with the publication of the "Annual Review and Determination of Guarantees, 1966," in March. This Annual Review was framed in line with the objectives of the National Economic Development Plan (1966-70)--which was adopted in September 1965. The Plan calls for domestic agriculture to satisfy the increasing demand for temperate climate agricultural products, thus keeping imports at about their current levels.

No changes were made for 1966 in the guaranteed prices for grains but the standard quantity on which the guaranteed price was paid was increased for wheat and barley. The guaranteed price also remained the same on hogs, but there was an increase in the number for which this price was paid. This had the effect of raising the average price received by farmers for pork by about 11.5 cents (2 percent) per kilogram of carcass weight. The guaranteed price was raised slightly for mutton and lamb, but lowered for wool and eggs.

A new feature of the 1966 Annual Review was a long-term assurance that no reduction in the guaranteed price for finished cattle would be made within the period of the National Plan (1966-70). Most domestic beef and veal output comes from dairy cattle and calves. Thus, as the production of beef and veal is stimulated under the National Plan, production of milk also increases. The Government and the National Farmers Unions apparently have reached an agreement on measures to avoid a lowering of milk prices.

Beginning with the campaign for the General Elections in March 1966, officials in the United Kingdom have expressed interest in renewing efforts to join the EEC. Serious negotiations on this question are expected in 1967. If the United Kingdom adopts the EEC's CAP regulations as framed at present, British farmers would experience an appreciable increase in the cost of feeding livestock. On the other hand, the farmers might receive better prices for their products.

The Government's economic restraints during the second half of 1966 caused concern among farmers over the supply of credit. In September, they were assured that the agricultural sector had the full support of the Government in carrying out its program under the National Plan. The banks were requested to supply ample funds to cover the short-term seasonal credit needs of the farmers. For intermediate and long-term credit, farmers would have to compete with other borrowers for capital.

Further action in agricultural policy was taken in the 1966 Agricultural Bill which provided for establishment of a Meat and Livestock Commission as an aid in the expansion of beef production, and in the improvement of the marketing, grading, and handling of livestock and meat. Another section of this Bill provides grants for amalgamation of small farms into larger, more efficient and productive agricultural units.

Foreign trade: The trade policy of the United Kingdom has been protective of domestic as well as Commonwealth and Irish agriculture. This protection has been provided within the context of a low-price food policy under which a relatively open market for food products has been maintained historically in the United Kingdom in return for industrial export markets in the Commonwealth countries and Ireland.

The United Kingdom's trade performance showed considerable improvement during the first 9 months of 1966. The value of imports increased 5 percent from 1965 while exports were about 6 percent higher. The 10 percent import surcharge, which had very little direct effect on agriculture, was removed on November 30, 1966.

The United Kingdom is the world's leading importer of agricultural products. These products have accounted for about 40 percent of total imports which have averaged about $14 billion annually in recent years. Leading agricultural imports in 1965 were meat and meat preparations, fruit and vegetables, cereals and cereal preparations, natural fibers, dairy products, eggs, sugar, tea and spices, and tobacco.

Exports of agricultural products account for about 5 percent of total exports. Except for cattle and barley, most agricultural exports are made up of re-exports of products processed in the United Kingdom, such as refined sugar, cocoa, vegetable oils, and wool.

About half of the agricultural imports in value terms come from the Commonwealth nations, chiefly Australia, New Zealand, and Canada. The United States ranks second among non-Commonwealth suppliers, furnishing about 8.5 percent of total agricultural imports in 1965. EFTA countries supply about 11 percent, of which about 85 percent is of Danish origin.

The United Kingdom was the most important European market for U.S. agricultural products in 1965. Direct shipments to the United Kingdom as well as transshipments of bulk commodities through Canada, Belgium, and the Netherlands bring the total annual U.K. import bill from the United States to more than $500 million. U.S. agricultural commodities exported directly to the United Kingdom averaged $413 million during 1962-65. Major U.S. agricultural exports to the United Kingdom in 1965 were unmanufactured tobacco ($95 million); feed grains ($101 million); animal fats and oils--principally lard ($32 million); cotton ($19 million); fruit and fruit preparations ($23 million); and wheat and flour ($18 million).

Agricultural imports from the United States are subject to various U.K. restrictions. The United States does not qualify for a share of the U.K. butter quota, and in any case, U.S. butter prices are generally too high. The principal barrier to U.S. exports is the prohibition for health reasons of uncooked poultry, pork, pork offals, and potatoes. Trade impeded by dollar-area import license restrictions is now limited to apples, pears, citrus juice (except frozen orange juice concentrate), fresh and canned grapefruit, pork products, bananas, and cigars. Food additive regulations are an additional restrictive factor. However, a general reduction in trade--contrary to the U.S.-U.K. Grain Agreement--is potentially the most damaging to U.S. exports.

Outlook: Production of beef and mutton and lamb will increase slightly during 1967 but pork output will decline. Egg production should rise a little along with a significant increase in poultry meat. Production of grain will continue to expand. The Government has made it clear that the slowing down of the economy as a result of the economic situation will not affect the selective expansion in agriculture. This will almost surely give British farmers an increasing share of the U.K. market for meat, dairy products, and feed grains. The balance-of-payments crisis of 1965 and 1966 is expected to ease in 1967 as a result of the economic restrictions imposed by the Government in July 1966. However, the restructuring of industry needed to resolve the underlying causes of the inflation of recent years is not likely to be completed in 1967. Serious negotiations on U.K. membership in the EEC are possible but the timetable for such negotiations is not known at present. (David W. Riggs)

EASTERN EUROPE

BULGARIA

Agricultural production: Agricultural output in Bulgaria achieved an impressive record in 1966; 13 percent above 1965 and 34 percent above the 1957-59 average. Exceptionally good weather, superimposed upon output-stimulating economic measures adopted in the past 3 years, produced this result. Per capita farm output was up a fourth over 1957-59.

The wheat area was reduced slightly in 1966, while that of corn, barley and rice increased. The area of technical crops--sunflowerseed, tobacco, and sugarbeets--was down slightly, while the area in vegetables increased.

Excellent winter weather conditions offset the ill effects of drought during fall sowing in 1965 and combined with greater fertilization and higher yielding seed varieties to produce a record 3.2-million-ton wheat crop, the second record crop in a row. There were increases in other grains also, with the most important being a record corn crop estimated at slightly over 2 million tons.

An early favorable spring assisted by the absence of summer drought--a frequent occurrence in Bulgaria--boosted yields and output of other late-harvested crops in addition to corn. A record sunflowerseed crop of over 420,000 tons was reported as well as the best sugarbeet crop of this decade. Other crops--for example cotton, hemp, vegetables and fruit--showed considerable improvement over 1965. But grapes, tomatoes, and strawberries, which suffered from a variety of regional weather problems, did not do as well. Tobacco output is estimated to be only slightly better than 1965 and much below 1964.

The livestock feed supply, both grains and roughages, was much improved in 1966. Meat and milk production are estimated up over 1965, with wool production unchanged and egg production down slightly. Declines in livestock numbers during the last half of 1965 and the first part of 1966 were partly recouped by the end of 1966. Cattle and cow numbers changed little while hog, sheep and poultry numbers declined somewhat.

Substantially larger Government purchases of agricultural commodities are estimated for 1966. Increases ranging from 15 to 40 percent are expected for food grains and feed grains, rice, sunflowerseed, sugarbeets, potatoes, and a variety of fruits. Less significant increases are anticipated in Government purchases of livestock products.

In 1966 a system of premiums was initiated for farms in mountainous regions to encourage better performance in these hitherto neglected areas. Capital investment in agriculture increased roughly 4 to 5 percent and went mainly to mechanization, irrigation and electrification. The rapid increase in fertilizer application evident since 1960 continued in 1966 with a 30 percent increase over 1965. The present application rate is about 85 kilograms per hectare of arable land. Further use of high yielding seeds was evident in 1966 with about 80 percent of the wheat area sown to the Soviet variety Bezostaya 1, and almost all of the sunflowerseed area sown to the high oil content Soviet varieties Perevodit and Mayak. Almost half the corn area was planted with Wisconsin 641 AA.

Additional steps to increase livestock production and sales to the Government were taken in 1966. Beginning with January 1, 1967, bonuses are to be paid for livestock products contracted for and delivered to purchasing organizations in excess of the preceding years. A 50 percent bonus above the base price will be paid for veal, lamb, young mutton, buffalo meat, wool, and sheep's milk. A 40 percent bonus will be paid for pork, and cow and buffalo milk. A 30 percent bonus will be paid for beef, mutton, poultry meat, and eggs.

Agricultural policy: The excellent 1966 results gave a major boost to the new Bulgarian 5-year plan (1966-70), the major output objectives of which were announced in July 1966 (table 2).

The plan envisages a 25 to 30 percent increase in agricultural output during 1966-70 compared with 1961-65. Levels anticipated under the plan were attained for a variety of other crops. This reflects the generally "modest" character of the plan by comparison with earlier plans, but it also reflects the exceptionally good 1966 weather. There have been some indications in the Bulgarian press that plans for some commodities, wheat in particular, might be raised.

The plan implies a slight decrease in the wheat and sunflower area since a more than proportional yield increase is anticipated. Analogous reasoning indicates an increase in the corn, tomato and grape areas. No change is planned in the oriental tobacco area, although an increase in the area of flue-cured tobacco has been suggested.

Table 2.--Bulgaria: Average output of major crops and livestock products 1961-65, and planned increases 1966-70

Commodity	Average 1961-65	Planned 1966-70	Percentage increase
	--1,000 tons--		Percent
Wheat	2,200	2,600	19
Corn	1,600	2,300	45
Sunflowerseed	337	400	17
Oriental tobacco	99	111	15
Tomatoes	738	850	15
Apples	315	400	26
Grapes	1,002	1,350	35
Meat (slaughter weight)	311	410	32
Milk, cows (mil. liters)	838	1,220	46
Eggs (millions)	1,360	1,760	29

Source: Rabotnichesko delo, Sofia, July 30, 1966.

Fertilizer production and use is being emphasized, with domestic production (in terms of plant nutrients) scheduled to rise from 354,000 to 953,000 tons by 1970. This would result in an average per hectare application rate of 160 to 180 kilograms in 1970 compared to 75 in 1965 and only 32 in 1960. The irrigated area is scheduled to increase by an additional 280,000 hectares during 1966-70 compared with an increase of 350,000 hectares during 1961-65. This would bring one fourth of the arable area under irrigation by 1970. About 20 percent of total investment is scheduled for agriculture.

Increases in machinery are planned which would raise inventories on farms substantially by 1970 compared with 1965--tractors from 67,000 to 91,000 (in 15 h.p. units) and combines from 6,700 to 21,000.

The plan calls for a 25 to 30 percent increase in real incomes of workers and employees (primarily urban workers and other government employment categories), while the increase in peasant (primarily collective farm members) wages is planned to be more than 30 percent. There is thus a rough correlation between planned income changes and the planned increase in food supplies.

Although economic and agricultural performance in Bulgaria has been good by East European standards, the Government has embarked on a program of economic reform which in some ways is in advance of those initiated in other countries of the region. These reforms are being tested in agriculture and were applied more fully in 1966. The major features include: (1) a reduction in the number of commodities to be delivered compulsorily to the Government--now only cereals, meat, and some industrial crops; (2) an increase in the number of crops sold directly from farm to Government processing trusts through contracts; (3) greater freedom of decision-making at the farm level with respect to output composition and input utilization; and (4) more direct use of market mechanisms and economic levers such as profits, incentives, charges on capital, and other resources.

Food situation: In Bulgaria, as in most other East European countries, there has been a substantial increase in both urban and rural incomes in recent years. With other avenues of expenditure limited, such as consumer goods and housing, much of this increased income goes for food--a recent Bulgarian study indicates about 45 percent.[22] The same study gives the following pattern of per capita food consumption in 1965: bread and bread products, 270 kilograms; vegetables, 100 kilograms; fruits, 75 kilograms; milk, 84 kilograms; meat, 38 kilograms; eggs, 124; fish, 3 kilograms; and sugar and confectionary products, 19 and 17 kilograms respectively. These levels, if correct for the country as a whole, indicate a substantial improvement in the diet since 1959-61.[23] Consumption of fruit and vegetables is among the highest in Europe, but Bulgarians still consume exceptionally large quantities of starches and use relatively small quantities of milk, meat and other livestock products.

Foreign trade: Bulgaria's foreign trade is dominated by her close ties with other communist countries--with whom 80 percent of total trade was planned for 1966. The USSR alone accounts for more than 50 percent. East Germany, Czechoslovakia, Poland, Hungary, Cuba, Romania and Yugoslavia are other important trading partners. Nevertheless, Bulgaria's trade with nonsocialist countries increased at an annual rate of 23 percent during 1961-64.

Agriculture looms large in Bulgaria's trade although its relative share has been declining and is planned to decline further during this decade. Major agricultural exports include tobacco, both unmanufactured and as cigarettes, animals for slaughter, fruits, vegetables, cheese, wine, meat, eggs, and rose oil. Exports of most of these commodities were much higher in 1961-65 than in the preceding 5 years. Customary Bulgarian imports are sugar, cotton, rubber and varying amounts of wheat and other grains.

A long-term trade agreement was signed between the USSR and Bulgaria in October 1965 covering the period 1966-70. This agreement called for a 70 percent increase in trade between the two countries. In addition to a wide variety of industrial products, Bulgaria is scheduled to export to the USSR during the 5-year period 150,000 tons of tobacco, 114,000 tons of cigarettes, 545,000 tons of grapes, 465 million bottles of wine and an additional 300,000 tons of wine in casks. Among other agricultural commodities the USSR is scheduled to export 180,000 tons of cotton (lint) to Bulgaria.

This agreement if carried out as planned guarantees the dominance of the USSR in Bulgaria's trade. The USSR's share will increase to 60 percent, and the share of all communist countries is planned to reach 85 percent by 1970. Despite this, Bulgarian interest in trade with noncommunist countries has grown in recent years. An interest has been shown by Bulgaria in feed grain imports as well as other agricultural imports, if export outlets can be found in noncommunist countries and if present trade limitations are relaxed. A major U.S. trade delegation visited Bulgaria in 1966.

U.S. exports to Bulgaria declined in 1965, but imports rose. Total U.S. exports declined from \$4.8 million to \$3.6 million, while imports increased from \$1.2 million to \$1.7 million. Agricultural exports to Bulgaria fell from \$4.4 million to \$2.4 million while agricultural imports rose from less than \$1 million to \$1.4 million. Nevertheless, U.S. agricultural exports to Bulgaria were well above levels prevailing before 1964. U.S. agricultural imports from Bulgaria were not strikingly different from those prevailing since 1961. Major commodities imported by the U.S. are rose oil, cheese, and paprika. The United States shipped primarily soybean meal, grain sorghums, and tallow to Bulgaria in 1965. (Harry E. Walters)

[22] Pogled, August 22, 1966.
[23] Food Balances for 8 East European Countries, 1959-61, ERS-Foreign 124, Economic Research Service, May 1965.

CZECHOSLOVAKIA

Agricultural production: Agricultural output recovered substantially in 1966 after a poor showing in 1965 and was 13 percent above the 1957-59 average. A combination of favorable weather and increased agricultural inputs resulted in a 20 percent increase in crop production over 1965. Livestock output declined nearly 5 percent largely because of declines in slaughter.

Some delays were encountered in fall planting, but an early spring permitted completion of field work earlier than during the preceding 5 years. The growing season was favorable, but heavy rains during the harvest caused extensive lodging and increased losses in the field. Estimated yields of the four major grains were nevertheless 11 percent above the 1965 level.

Output of grain was up 10 percent in 1966. Wheat output continued to rise due to increases in area and some increases in yields. Rye output continued its decline largely because of reduced area.

Potatoes and sugarbeets made a good recovery after dropping to crop-failure levels in 1965. The rains which interfered with the grain harvest were beneficial to these crops. Output of potatoes and sugarbeets in 1966 was greater than the 1957-59 and 1961-65 averages. Production of sugarbeets was below the 1960 record high, however.

Rapeseed production increased slightly, mainly because of increased area. Modest gains were scored in vegetables while fruit production made substantial gains over 1965.

Crop production in 1966, although above the average for 1961-65, was still below the 1960 output. This stagnation in crop production is partly due to an inconsistent flow of inputs to agriculture and bad weather, but mostly the result of poor management, low incentives, and a declining agricultural labor force.

Livestock output was higher in 1965 than in 1966 because of heavy slaughter of cattle and hogs brought on by shortages of feed in the earlier year. Milk was the only livestock product that showed an increase in output over 1965.

Application of mineral fertilizers has increased at a fairly rapid pace since 1961/62. Fertilizer use per hectare of sown area increased from 108 kilograms in 1961/62 to 176 kilograms in 1965/66. Tractor deliveries in 1965 amounted to 15,152 units, and total tractor numbers reached 107,000. The need for mechanization on Czech farms is great because the average age of farm workers is 48 years, and the labor force is inadequate and declining.

Agricultural policy: The changes in agricultural policy initiated in 1965 continued through 1966 in preparation for the "new economic reforms" which were scheduled to go into effect in January 1967. Proposed changes in farm management, regional specialization, producer prices, and a new system of taxation are intended to strengthen and promote growth in agricultural production.

Under the new management system more initiative in production planning is left to individual farms. Marketing contracts between farm enterprises and state purchasing agencies will be used more. Beginning in January 1967 an additional 50 crowns will be paid per ton of wheat, rye, barley, and sugarbeets; an additional 200 crowns will be paid per ton of potatoes and a 1 crown increase will be paid per kilogram of cattle, oxen, and slaughter pigs. The price of eggs will be raised by almost a crown per kilogram.

These increased prices are planned to compensate agriculture, at least in part, for increased prices of machines, services, and other industrial goods. Poor farms are to receive subsidies to increase production, adapt modern technology, construct housing, and improve living conditions. In part, these funds are to come from the new land tax--based on farm size--and the income tax--based on gross profits. All farms will be obliged to contribute to the state investment and construction fund. Investments by farms will have to come from their own resources with state subsidies for projects of regional or national importance.

Although greater freedom of planning and choice of production is contemplated for farms, the Government will continue its control through the Agricultural Production Authorities. Among other things they will oversee the implementation of all economic goals such as crop and livestock specialization, distribution of fertilizer and mixed feeds, and assistance to economically weak farms.

Food situation: Food supplies during 1966 reflected, in part, the poor 1965 harvest. In spite of increased feed grain imports, forced slaughter of cattle continued through early 1966. This, and increased imports of meat, had a favorable effect on meat supplies. Fruits and vegetables remained in short supply; potato supplies were particularly short. Milk supplies improved; the supply of eggs declined. Total meat output declined in 1966, largely due to efforts to rebuild herds.

During the past few years, increased incomes have been reflected in increased consumption of meat and other livestock products. In order to reduce consumer demand for the best quality meats, a series of price changes were put into effect in October 1966. Prices were increased 7 to 20 percent on choice cuts of beef, pork, and veal. Prices for lower quality meats remained the same while the prices of lard and bacon were reduced. Sugar, cocoa, coffee, and citrus fruit prices were also reduced. Restaurant prices changed accordingly.

Foreign trade: Czechoslovakia relies heavily on imports of industrial as well as agricultural commodities. Wheat and feed grain imports have ranged between 1.6 and 2.6 million tons annually during the past 5 years. Substantial quantities of meat, fruit, vegetable oil, and cotton are also imported each year. Major export commodities are barley, hogs, eggs, refined sugar, and beer.

Traditionally, more than half of the grain imports have come from the Soviet Union, but some purchases have been made from Western countries. With a bumper grain crop in the Soviet Union, purchases from the West may decline somewhat. A large share of the meat and butter, and more than half of the cotton imports, come from the Soviet Union. The United Arab Republic is Czechoslovakia's second largest source of cotton. Bulgaria supplies the bulk of tobacco, eggs, and fresh vegetable imports while Hungary is the major supplier of fresh fruit.

Total trade turnover in 1965 amounted to $5.5 billion, a 9 percent increase over 1964. Agricultural commodities normally account for about 20 percent of the total imports and 6 to 10 percent of all exports.

Total trade with the United States in 1965 amounted to over $27 million as compared to $11 million during 1964. Significant increases in U.S. feed grain exports were the primary reason for this rise. Czechoslovakia imported 374,000 tons of feed grains from the United States, of which 65,000 tons were corn, 48,000 tons barley, and 261,000 tons sorghum. In addition to grains the United States exports soybeans, hops, hides and skins, crude sulfur, and other raw materials to Czechoslovakia. (A. Paul Danyluk)

EAST GERMANY

Agricultural production: Agricultural output in East Germany, consistent with the pattern of the past 5 years, inched up 1 percent in 1966. A decline of nearly 1 percent in crop production was offset by a continued upward trend in livestock product output.

With the exception of oats and mixed grains, grain production declined. Output of root crops was similar to that of 1965, while oilseed output declined substantially. An early frost in the fall of 1965 impeded sowing of winter grains, but a relatively mild winter caused no more than the usual amount of damage to winter crops. Most of the fall shortcomings were overcome by a favorable and early spring. But spring was marred by occasional heavy rains and snow as late as April, delaying the planting of potatoes and sugarbeets.

Grain production in 1966 was 8 percent above the 1957-59 average, but nearly 4 percent below the record 1965 output. The area sown to all grains remained essentially the same as in 1965, but the shift to wheat, barley, and mixed grains continued. Lower output in 1966 was due to lower yields and greater losses in the field because of extensive lodging.

Potato output was down slightly because of reduced area and lower yields. The quality of potatoes was better, however, with lower storage losses anticipated. Sugarbeet output was up in 1966 but sugar content was expected to be lower. Vegetable and fruit production was good in 1966, with a marked increase in fruit output. Rapeseed output declined because of reduced area and yields.

Livestock output in 1966 increased nearly 5 percent, continuing the steady gain in livestock output since 1963. According to the June 1966 census, cattle and hogs increased 5 and 4 percent, respectively, while cow numbers increased more than 2 percent.

Fertilizer utilization in East Germany continued higher than in other East European countries, reaching 280 kilograms of plant nutrients per hectare of sown area in 1964/65. Heavy fertilizer application in East Germany partly offsets the lack of good quality agricultural land.

Despite the serious labor shortage in East Germany and an annual increase in tractors of about 10 percent since 1960, tractors and other farm machinery continue in short supply. This shortage of machinery and farm labor results in the perennial use of students, soldiers, and factory workers at peak harvest periods.

Agricultural policy: East Germany during 1966 continued implementation of the "new economic system" which in agriculture is aimed at reducing cost of production, increasing efficiency, raising output, and bringing about higher farm incomes.

The dual-price system--a low price for compulsory deliveries and a higher price for additional sales--for field crops was abolished in 1964 in favor of higher uniform prices. The dual-price system continues in effect for livestock products, but at a higher level than prior to 1964. To further stimulate output, higher premiums were announced for livestock and crops purchased by the Government during 1967 and 1968. Additional bonuses will also be paid for grain and potatoes delivered to the Government above planned contract levels, and double premiums will be paid for above-contract deliveries of eggs and milk. New incentives were also announced to encourage sheep raising.

Other major policy changes designed to encourage inter-cooperative planning, management, investment, and joint utilization of farm machinery have also been introduced. Through joint cooperation of farms the Government hopes to achieve greater concentration of production, specialization, and better utilization of farm resources. Joint investment funds are being set up to which each cooperating farm contributes a sum based on its land holdings and gross income. The large production units which are planned to evolve from these joint ventures are expected to become economically self-sustaining and highly specialized. State subsidies will continue to be extended to poor cooperatives.

Food situation: Favorable agricultural output in 1965, augmented by customary large imports, resulted in a relatively stable food situation in East Germany in 1966. Prices remained fairly stable, fluctuating mostly for seasonal commodities. Per capita consumption of meat continued to increase. Consumption of grain products increased in 1965 after small declines in 1963 and 1964. As a result of declining per capita consumption of butter and other animal fats, total consumption of oils and fats also declined in 1965. Consumption of eggs and egg products continued to rise sharply while milk consumption increased moderately. Fruit and vegetable consumption fluctuated with production and imports but was within the 1961-65 range.

Foreign trade: East Germany continues to rely heavily on food imports in order to meet domestic consumption requirements. East Germany normally produces about half its wheat requirements and regularly imports over a million tons of wheat annually, almost exclusively from the Soviet Union. Annual grain imports during the past 5 years averaged about 2 million tons, most of which was shipped from the USSR. Small grain purchases are also made in Western markets. In 1964 East Germany concluded a 3-year agreement with Canada for 750,000 tons of wheat. In addition to grains East Germany imports substantial quantities of meat, animal fats, butter, vegetables, fruits, and other foodstuffs.

East German statistics list only exports of refined sugar and wheat and corn seed. Between 1961 and 1964 exports of sugar declined from 377,000 tons to 173,000 tons, then dropped to 97,000 tons in 1965, while exports of seed remained constant at about 2,000 tons.

Over 80 percent of total East German trade is with communist countries. The Soviet Union is the major trading partner accounting for 47 percent of the value of total trade and 58 percent of the total value of trade with the communist countries in 1965. West Germany and West Berlin accounted for 8 percent of the total value of foreign trade, while the rest of the Free World accounted for about 12 percent. (A. Paul Danyluk)

HUNGARY

Agriculture production: Hungarian agricultural output turned upward in 1966 following the sluggish performance of 1965. Net agricultural output increased 5 percent and was 10 percent above the 1957-59 average. Per capita food production rose 4 percent in 1966. The Hungarian population has grown annually by only 0.3 percent--one of the lowest population growth rates in Europe--in the past few years.

Land tenure and use in Hungary has varied little in the past 5 years. Weather conditions and the increased availability of material inputs are the key variables which have determined changes in production. In 1966 a small decrease in sown area caused a slight drop in wheat production. Wheat production of 2.2 million tons, 242,000 tons of rye and a month's supply of food grains carried over from last year will probably cover the country's food grain needs.

Corn production of 3.7 million tons exceeded 1965's output slightly, owing to a somewhat larger sown area and a slightly better yield. Barley output decreased. Oat production was nearly the same as last year, resulting in an unchanged total output of feed grains. Feed grain imports will be necessary in 1967 to feed increased livestock numbers. The non-grain feed supply changed little in 1966.

A very good potato crop developed in 1966. Production exceeded 1965's crop by one-third. The crop will be adequate for human consumption and the surplus can be diverted to feed and industrial use. The good crop was attributable partly to improved seed and partly to better incentives.

Sugarbeet production rose slightly in 1966 despite a decrease in acreage. There was little change in total sunflowerseed production, and the tobacco crop, which suffered from peronospora disease, was poor.

Tomato production was very good; vegetable and fruit production also surpassed 1965's level. The below-average grape production was still somewhat larger than 1965's poor crop.

The use of fertilizer, particularly phosphate, is increasing yearly. Mechanization of grain harvesting is almost complete, but corn, potatoes, and sugarbeets are still harvested manually on most farms.

In 1965, foot-and-mouth disease affected livestock production. The epidemic was checked in 1966 and higher prices for meat and milk products induced farmers to increase animal numbers. The March 1 census showed more cattle in 1966 than in 1965. However, cows, hogs, and sheep were lower, but with an uptrend since the beginning of the year. Meat production declined; milk production increased 2 percent despite the decreased cow numbers. Wool production decreased slightly; egg and poultry production, most of which comes from the private sector increased. Commercial broiler production on state farms is just developing.

Agricultural policy: The new 5-year plan for 1966-70 was announced in 1966. The targets call for a 19 to 21 percent increase in national income, a 14 to 16 percent increase in per capita income, and a 13 to 15 percent increase in agricultural production. The percentage distribution of investment between industry and agriculture will be the same as in 1961-65. Allocation to agriculture represents 16 to 18 percent of total investment. This will mean about 10 percent more agricultural investment during the plan period.

The main production goals are to make Hungary self-sufficient in bread grain production, to increase the yield of nongrain feed crops and grasses, and to shift land towards more vegetable and fruit growing. To achieve these goals fertilizer use is scheduled to be doubled from the present 1.7 million tons. Higher yielding varieties of wheat will be sown on 90 percent of the land compared to 78 percent in 1966. During the coming 5 years, 38,000 to 40,000 tractors, 6,500 combines, and 35,000 to 36,000 trailers will be supplied to agriculture. To improve the livestock sector, shelters accommodating 90,000 more cattle, 300,000 more hogs, and several million more poultry will be built. Additionally, the commercial mixed feed industry will be expanded and selected breeding will be accelerated. Both programs are designed to improve feeding efficiency.

To implement the new plan the so-called "New Economic Mechanism," a departure from strict central planning, has been introduced this year. Local farm managers will be given greater decision-making authority, with the profit motive as the guiding principle instead of the quantity of output. Except for basic crops, prices will be allowed to reflect supply and demand, thus helping to determine input-output choices. Intra-farm competition for both the domestic and foreign market will be encouraged.

Food situation: A change in food prices in early 1966 moved the food index up 5 to 8 percent. The price of meat and meat products and milk and milk products increased; whereas vegetable, potato, and fruit prices decreased. Consumption turned from the higher priced products to vegetables, potatoes, and fruits. Despite the upward price change, the consumption of dairy products with the exception of cheese increased. A 4 percent rise in industrial wages helped to maintain consumption levels in 1966.

Foreign trade: Total value of imports increased by 2 percent in 1965; exports rose by 12 percent, bringing foreign trade in near balance. The share of food and food products in total imports increased from 9 percent to 10 percent and the share in exports increased from 21 percent to 22 percent. The volume of agricultural exports increased more than value, as most prices declined. During 1966 the Hungarian Government emphasized the need for obtaining foreign exchange through agricultural exports. Economic growth in Europe has raised living standards and created a growing demand for meat and livestock products. A major share of Hungary's beef and egg exports in 1965 went to Western Europe; however, the Soviet Union and Eastern Europe are still Hungary's most important markets. Of the total export value of food and food products, 50 percent was purchased by the Soviet Union and other communist countries. But the communist area supplied only 20 percent of Hungary's agricultural imports.

Cotton is a major agricultural import, 55 percent of which comes from the Soviet Union. Wool is imported from Great Britain, Australia and Mongolia, barley from France, hides and corn are imported from Argentina and wheat from Canada. Citrus fruits, coffee, cocoa, and rice are also imported.

In 1964/65 U.S. exports to Hungary amounted to $9.2 million of which agricultural commodities accounted for $8 million. In order of importance, the major commodities were soybeans, soybean oilcake, hides and skins and tallow. U.S. agricultural imports from Hungary amounted to only $364,000, with wine and paprika the most important items.

Outlook: Self-sufficiency in wheat may be attained in 1967, but feed grain imports will be necessary. The change in domestic meat prices may shift some meat to the export market. The sown area is expected to remain unchanged except for an increase in the vegetable area. (Thomas A. Vankai)

POLAND

Agricultural production: Polish agricultural output scored another record in 1966, although grain output failed to reach the record 1965 level. The 1966 index stood 27 percent above the 1957-59 average.

Crop production was up 5 percent largely due to higher sugarbeet and potato output. Grain output declined a little less than 2 percent. Feed grains, rye, barley and oats were hit hardest by high summer temperatures and harvest rains; declining more than 3 percent. Total grain output for 1966 is estimated at about 16 million tons compared to 16.2 million tons in 1965.

Output of root crops was better than in 1965. Late season rains were beneficial to sugarbeets, but may have reduced the quality of potatoes. Rapeseed output, estimated at about 400,000 tons, declined substantially in 1966 from the record high of 504,000 tons in 1965, because of lower yields. Output of vegetables was slightly below the 1965 level, while fruit production was more than 50 percent higher.

Polish agriculture went into 1966 with better than average feed supplies; consequently, favorable results were achieved in livestock products and growth in herds. Output of livestock products increased nearly 3 percent. Substantial gains in pork, poultry and milk were made, while production of beef, veal, eggs and wool declined.

Fertilizer consumption in Poland continued to increase at a slow and erratic pace. During 1964/65, 1.1 million tons of fertilizers were supplied to agriculture compared with nearly 1 million tons in 1963/64. Plant nutrients per hectare of sown area reached 72 kilograms in 1964/65 compared to 52 kilograms in 1960/61. On state farms the average rate of application was nearly double that on collective and private farms. Poland produces nearly all its nitrogen and phosphorous fertilizers. Most of the potash fertilizers are imported from East Germany. The application rate planned for 1970 is 135 kilograms per hectare of sown area.

Tractor numbers increased to 137,200 in 1966 compared to 124,106 in 1965. Between 1961 and 1965 the average annual rate of increase in the tractor pool was about 13,000. Most of the additional tractors went to Agricultural Circles. In 1965, together with the collective farms, the Circles owned 40 percent of all tractors. State farms owned 40 percent, Machine Tractor Stations (MTS), 13 percent, and private farms, 7 percent.

Agricultural policy: Polish agricultural policy is primarily centered around the 1966-70 plan.[24] Emphasis is being placed on crop production with the greatest increase planned in the four major grains: from 14.5 million tons in 1961-65 to 18 million tons in 1970. During 1961-65, state grain purchases averaged less than 2.5 million tons annually, less than half of the state's requirements to maintain stocks and supply the urban population. In order to overcome the farmer's reluctance to sell grain to the state, higher purchasing prices for all grains were introduced in 1965. The grain area under contract is planned to increase from 550,000 hectares in 1965 to 1,135,000 hectares in 1967 and 2,200,000 hectares by 1970. The distribution of fertilizers, high quality seeds, mixed feed, and insecticides will be closely geared to grain contracts.

Improved livestock breeds are also to receive more attention during 1966-70. Greater emphasis will be placed on selective cattle breeding for the production of meat and milk. Increased output of livestock products is planned through wider use of mixed feeds and more efficient feeding. Further increases are planned for sheep, while horses are expected to decline.

The most important goal of the current plan is the attainment of self-sufficiency in grain production. Expansion of market supplies

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[24] For details, see the USSR and Eastern Europe Agricultural Situation, ERS-Foreign 151, Economic Research Service, 1966.

of livestock products is another major goal. Polish grain imports reached 3 million tons in 1963 and although they declined in 1964 and 1965 they are expected to be between 1.5 and 2.0 million tons in 1966. Exports of livestock products, an important source of hard currency, are planned to decline in favor of industrial products.

Food situation: The favorable food situation in Poland during 1966 is expected to continue through 1967. Higher agricultural output during 1965 and 1966, augmented by increased imports of fruits and vegetables, resulted in a better and more stable food supply. Improvements in quality were also evident as a result of better storage facilities, expanded purchasing centers, and modernization of the food processing industry.

The consumption pattern continued to change in favor of livestock products and away from grains and potatoes. Grain consumption declined 18 percent during the past decade while consumption of potatoes, a major staple in the Polish diet, declined only 6 percent. Meat consumption, on the other hand, increased nearly 7 percent during 1961-65 and nearly 28 percent over the decade. Consumption of fats, eggs, and milk also increased substantially during the past few years.

Consumer prices remained stable throughout 1966 with the exception of some increases for tobacco and fish products, and a small decrease in the price of lard. Prices fluctuated for such seasonal commodities as eggs, fruits and vegetables.

Declining exports of fresh frozen meats and live hogs during the first 9 months of 1966 indicate that part of the domestic needs were met at the expense of exports.

Foreign trade: Total trade turnover during 1966 increased 4 percent over 1965. The share of agricultural commodities declined 7 percent.

Although total agricultural imports declined, significant increases took place for a number of agricultural commodities. Wheat imports increased 14 percent and cotton imports increased 10 percent. Imports of meat and meat products during the first 11 months of 1966 rose to 50,000 tons compared to 33,700 tons in 1965, while imports of citrus fruits during the same period increased from 34,400 tons to 63,360 tons. Imports of barley declined from 485,000 tons in 1965 to 139,000 tons in 1966, while vegetable oils and animal fats declined from 132,000 tons to 105,000 tons. Tobacco imports also declined.

The overall decline in exports of agricultural commodities was mainly the result of decreased shipments of live hogs for slaughter, fresh frozen meat and other livestock products. Exports of bacon and canned hams increased during 1966 by 1 and 4 percent respectively. Exports of fresh frozen meat declined from 54,000 tons to 18,000 tons. Exports of live animals for slaughter declined from 9,000 tons in 1965 to little over 2,000 tons in 1966. Exports of canned meats and brewing barley increased in 1966. The pattern of trade in livestock commodities is significant in that it suggests the future trend of agricultural commodities in Polish trade. It also reflects the domestic market situation.

Despite two consecutive successful crop years, exports of some hard-currency commodities are being reduced to meet domestic food requirements and they are replaced by increased exports of industrial goods. Their share in overall exports is planned to rise from 35 percent in 1965 to about 44 percent in 1970.

Despite the 1970 goal of self-sufficiency in grain production, Poland concluded a 3-year agreement with Canada in 1966 for the delivery of about 1.2 million tons of wheat. Poland will receive 1 million tons of wheat from the USSR in 1967, about half of Poland's annual grain import requirement, as a result of the USSR's bumper grain crop.

The Soviet Union continues to be Poland's major trading partner, accounting for about half of all trade with communist countries and one-third of its total trade turnover. U.S. trade with Poland declined about 40 percent in 1965 largely as a result of the withdrawal of P.L.480 Title I sales in 1964. In 1965 the Unites States accounted for only 1.3 percent of Polish imports compared to the average of 5.4 percent during 1960-64. Polish exports to the United States, however, rose to 3.1 percent of total exports in 1965 compared to the average of 2.5 percent during 1960-64. (A. Paul Danyluk)

ROMANIA

Agricultural production: Agricultural output in 1966 continued to edge forward from the previous high production level achieved in 1965. Net output increased 9 percent, raising the 1966 level of output to 37 percent above the 1957-59 average. Crop output, principally on the strength of good harvests of corn and row crops, increase 11 percent; livestock output gained by a modest 3 percent.

Significant to this second successful agricultural year in a row by Romania were the slow but steady efforts to increase material inputs into agriculture and the very favorable weather conditions during the late summer and fall. Except for dry weather during the peak sowing and germination period of fall seeded grains in 1965, the general weather pattern for the 1966 crop ranged from fair to excellent.

Yields of major crops during 1966 reflect the impact of the varying weather conditions. Influenced adversely by the dry fall, the yields of fall sown wheat dropped approximately 20 percent from the exceptionally high yields attained in 1965. Production of the three major fall sown small grains--wheat, rye, and barley--was 800,000 tons less than the peak postwar production of 6.6 million tons in 1965 despite a slight increase in acreage.

On the other hand, corn, potato, sugarbeet, and sunflowerseed yields improved significantly over the drought-affected crop of 1965. At the December meeting of the Grand National Assembly, 1966 corn production was estimated at a record 7.9 million tons, up approximately one-third from the 1965 output. Harvesting and storage difficulties, particularly losses resulting from poor work organization on collective farms, suggest that the actual garnered harvest could be less than the preliminary estimate indicates.

Livestock numbers at the beginning of 1966 showed gains for cattle, cows, and sheep. Hog numbers declined 11 percent from the postwar high of 1965. Relatively modest changes in the output of livestock products developed in 1966. Meat, primarily pork and poultry, increased 2 percent, milk 5 percent, eggs 3 percent, and wool 5 percent. Both the increase in the total number of cows and improved pasture conditions helped raise milk output in 1966. The smaller gain in meat production resulted from the buildup of hog numbers and the trend to feed calves to heavier weights.

Strong steady gains in the availability of material inputs were also noted during 1966. While still far short of optimum levels, tractor numbers in 1966 increased to 90,000 units, up 10 percent over 1965, and domestic production of fertilizers in terms of plant nutrients reached 400,000 tons--a 32 percent gain over 1965. Approximately 31 kilograms of plant nutrients were applied to each hectare of arable land for the 1966 crop compared to 16 kilograms in the previous agricultural year.

Agricultural policy: A series of important decisions relating to the organization of the farm sector were made in November 1965. At that time the Higher Agricultural Council and its regional units were given full responsibility for the planning of all aspects of production and procurements. Parallel with this, the agricultural cooperatives were "invited" to form district and regional unions, which would be subordinate to the National Union of Agricultural Cooperatives. The latter organization was officially formalized in March 1966.

The primary aim of the new cooperative organization appears to be the consolidation of authority and closer direction over the operation and management of collective farms. Also apparent is the beginning effort to lift some of the rigid guidelines of past collectivization policies. Programs under review propose to revise the obsolete collective farm statutes, to strengthen the investment fund of collective farms, to introduce changes in wage payments to collective farmers, to make some adjustments in the size and location of household plots, and to begin a nationwide old-age pension scheme for collective farmers.

Other policy changes announced by the Higher Agricultural Council in 1966 included the raising of procurement prices for contract purchases and the easing of short-term credits to Machine Tractor Stations. The latter change is designed to give the Machine Tractor Stations greater flexibility in the use of their working capital and to reduce the direct capital contribution by the Government.

Food situation: The strong upward movement of agricultural output since 1964, combined with the steadily improving rate of growth in the consumer goods sector, manifested itself in a more than 7 percent expansion in retail sales in 1965. Higher farm wages, moreover, have helped to reduce the gap in the standard of living between the rural and urban areas. Real incomes of peasants in 1965 reportedly increased 2.4 times over the 1960 level.

Although still heavily weighted in starches, peasant diets have altered considerably since 1960. Meat consumption has increased by 33 percent, vegetable oils by 62 percent, sugar by 50 percent, and rice by 75 percent. The per capita availability of food products in the rural areas, however, is still among the lowest in East Europe--meat 29 kilograms, vegetable oil 4.6 kilograms, and milk 74.3 kilograms.

Programs through 1970 indicate that an increasingly larger share of investment will be used to develop and expand the role of consumer cooperatives in rural areas. Additionally, the current distribution system, which puts rural areas at a disadvantage in the sale of mass-produced goods, will be reviewed and a new program for allocating available goods more equitably is scheduled to be introduced in 1967.

Foreign trade: Agricultural products contribute a substantial share to the foreign trade earnings of Romania. Although the percentage share declined from 37 percent of total exports in 1964 to 35 percent in 1965, the absolute value of agricultural trade increased 5 percent.

Grain is the major agricultural commodity exported. Because of the poor corn crop in 1965, exports of grain declined to 882,000 tons from the previous year's 1,234,000 tons. Vegetable oil exports also declined from 37,000 to 33,000 tons. Gains, however, were recorded for exports of vegetables, potatoes, fruits, grapes, eggs, and animal fats.

The downtrend in agricultural imports continued into 1965, dropping from 15 percent of the total value of imports in 1964 to 14 percent in 1965. This decreasing share of agricultural imports reflects the gains in agricultural production and the increasing priority of industrial raw materials and machinery in the planned program of economic development. Agricultural commodities imported, moreover, are mainly nonfood raw materials and include cotton, wool, and hides and skins.

U.S. agricultural exports to Romania increased about 10 percent in 1965, rising from \$2.1 million to \$2.3 million. Major commodity exports in 1965 were cattle hides and oilseed meal, as opposed to wheat, tallow, and cotton which led the list in 1964.

Outlook: Romania has been slow in introducing economic reforms in the agricultural sector, but alternatively is concentrating on the development of farm skills, increasing the availability and use of fertilizers, improved seeds, and insecticides, and expanding land resources through irrigation.

The 4.9 percent annual rate of growth in agricultural output planned for 1966-1970 is well ahead of the projected population growth. Exports of agricultural products are expected to increase in value even though their relative share of total exports will decline. Real wages of urban and farm workers are planned to increase 25 percent during 1966-70. (Roger E. Neetz)

YUGOSLAVIA

Agricultural production: In 1966 Yugoslavia experienced its best agricultural year since the bumper harvest of 1959. Net agricultural output increased 19 percent over 1965 and 17 percent over the banner year of 1959. Crop production increased one-fourth from 1965, but a slight decrease for livestock and livestock products reflected the poor feed crop in 1965 and the consequent decline in hog numbers.

Exceptionally favorable weather was the primary cause for the successful harvest in 1966. However, economic stimulants, particularly the continued upward movement of producer prices, also induced a shift in the cropping pattern favorable to wheat, corn, and sugarbeets. Wheat acreage increased 9 percent, corn 2 percent, and sugar beets about a third over 1965. The combination of good weather and higher prices thus helped to raise wheat and corn output to about the levels planned for 1970--wheat production in 1966 amounting to 4.6 million tons and corn to 8.0 million tons.

Sizable increases in output over the previous year's level were also reported for other commodities. Sugarbeets increased almost one-half, tobacco 10 percent, drybeans 29 percent, fruits 63 percent, and grapes 16 percent. Despite the attack of a fungus disease late in the growing season, sunflowerseed production still equaled the high levels of 1965, which was the highest output in the postwar period.

All categories of livestock registered gains in 1966. A particularly strong recovery in hog numbers developed during 1966, reflecting the sharp improvement in feed supplies in the latter part of the year. Hog numbers for January 1967 are estimated to be one-eighth higher than the January numbers of 1966. Cattle numbers continued the upward movement of the previous year and are estimated to be 7 percent higher. Sheep and goat numbers probably increased slightly. The poultry flock tended downward in the first half of 1966 but better feed supplies will help to push January 1967 numbers above the previous year.

Meat production, however, turned downward in 1966, declining from 757,000 tons in 1965 to 702,000 tons in 1966. Significant to this development was the reduced slaughter of hogs during the first half of 1966. A 15 percent increase in the producer price for live hogs announced in mid-1966, coupled with the ample supplies of feed after August, also influenced farmers to feed to heavier weights. With reduced slaughterings, output of pork, the major meat product in Yugoslavia, declined to an estimated 315,000 tons from the previous year's high of 395,000 tons. Although beef and mutton production improved over 1965 levels, the buildup of herds suggest a decrease in the slaughter of calves and lambs.

Higher cow numbers and improved pasture conditions in 1966 helped to raise milk production to the postwar record high of 2.4 million tons. However, the poor feed supplies and the substitution of poultry meat for pork during the first half of the year lowered egg production in 1966 from the record 1,746 million units in 1965.

Agricultural policy: The agricultural sector has responded favorably to the economic reforms announced in June 1965 and implemented in 1966. While long-term policy aims for the farm sector are still attuned to full socialization, mainly through the purchase and leasing of land, progress in 1965 was only moderate. Total land purchases declined to 34,000 hectares compared to 87,000 in 1964 and 136,000 in 1963. The slowdown was attributed to increasingly higher prices of land since 1963. Additionally, the economic reforms reduced the number of new jobs in urban areas and in turn made farming more attractive. Agricultural land held by the socialist sector by the end of 1965 amounted to 29 percent of total agricultural land and 15 percent of total arable land.

The continued upward movement of farm prices in 1966, combined with the bumper harvest, raised farm incomes significantly. Officials have indicated that total farm income may be $200 million more than in 1965.

Planners have anticipated that a large share of this additional income would be reinvested in the farm, particularly by the private farm sector. In order to siphon off some of this extra income the government in 1966 introduced a program which allowed private farmers to purchase new tractors for the first time since socialization became a fixed policy. The immediate response of the private sector to this offer has been slow but the Government believes that the recently implemented programs to reduce tractor prices and lower land taxes will help stimulate sales.

Agricultural price policy is still being debated within Government circles. However, long-term objectives are to adjust agricultural prices to changes in farm productivity and to reduce state subsidies to agriculture. A major aim of the Government is to remove agriculture from its dependency position in the economy and make it more competitive with other sectors.

Food situation: During 1965 food consumption deteriorated somewhat and the cost of living increased 35 percent compared to the previous year. Within this index, food costs increased by 39 percent, clothing 24 percent, housing and utilities 34 percent, and transportation 20 percent. The rise in food prices after July 1965 continued through the first 10 months of 1966 and was a strong motivating force for the urban consumer to shift from high-priced quality foods--milk, meat, and eggs--to cheaper foods--grains, sugar, and fats. Total estimated food intake in 1965 amounted to 3,146 calories, 19 percent of which were of animal origin compared to 21 percent in 1960.

Along with this upward shift in urban prices for food has been the rise in the per capita consumption of agricultural products on the farm. The added income of the private farmer from the higher producer prices is thus being used to improve the standard of living on farms rather than for reinvestment in the farm. Although this development has reduced the difference between the urban and rural per capita consumption of quality foods, the higher farm use of increased production is running counter to the reform programs and has intensified price instability of agricultural and food products.

Inefficient marketing practices and the accompanying waste at distribution points have also raised costs of processing and storing foods. Even though warehouses and storage facilities have expanded in recent years--particularly grain storage capacity, which increased from 868,000 tons in 1952 to 2,204,000 tons in 1965--construction work is still lagging and this shortcoming has reduced the flow of agricultural products from the farms in good agricultural years, such as 1966.

However, corrective measures to broaden the market outlets of the private farmer were proposed in late 1965. Included among these was the right of private farmers to sell agricultural commodities directly to large consumers--catering enterprises, institutions and hospitals. This new regulation is intended to bring competitive market forces into play and offset the rigid market control of the General Agricultural Cooperatives, the primary purchaser of agricultural products in the Yugoslav farm sector.

Foreign trade: Yugoslavia's exports in 1965 totaled $1,090 million, 22 percent more than in 1964, while imports decreased by 3 percent to $1,288 million. This favorable development reduced the trade deficit to $198 million compared to $430 million in 1964.

Agricultural exports shared in the total trade expansion and increased 8 percent over the previous year. Corn exports amounted to 51,000 tons, meat 123,000 tons, and tobacco 23,000 tons.

A significant 13 percent rise in agricultural imports in 1965--a result of the poor harvests in that year--countered the favorable export gains and reflects the long-term inability of the Government to build up adequate stocks of food grains. Wheat imports, all under P.L. 480 Title IV, amounted to 1.2 million tons in 1965. Fruit imports also increased in 1965.

Yugoslavia became a full member of GATT in August 1966 and is currently receiving most-favored-nation treatment from all countries except the six Common Market members. While average custom tariff levels were lowered in late 1965, further reductions became effective on January 1, 1967. Included in the free items for 1967 are some prepared and canned foodstuffs, fruit juices, and leather.

Two P.L. 480 agreements were made during 1965/66. One agreement signed on November 22, 1965, initially authorized the purchase of 650,000 tons of wheat, but it was later amended to include an additional 700,000 tons. The second agreement signed in April 1966 authorized the purchase of 137,000 bales of cotton and 35,000 tons of edible oils.

Because of the very favorable grain and corn harvests, Yugoslavia will probably cut back the imports of food grains sharply in 1966/67 and if market opportunities develop could be in a position to export from 500,000 to 800,000 tons of corn.

Outlook: Agricultural production has been lagging behind general economic developments in Yugoslavia. This has been one of the important causes for the increase in the cost of living and deficit in the balance of payments. Yugoslavia's annual per capita income, moreover, has reached the $500 level, and with a continued increase in the purchasing power a stronger demand for quality foods, fibers, and other products could develop. The good harvest of 1966 has given the Government some flexibility for building up stocks, but it is not likely that the results of 1966 will be duplicated in 1967. The demand for wheat and wheat products therefore may remain firm at least through the next few years. (Roger E. Neetz)

SOVIET UNION

AGRICULTURAL PRODUCTION

Agricultural production in the USSR rose a striking 16 percent in 1966 and was 11 percent above 1964, the previous peak level as measured by the USDA index.[25] The erratic grain sector, which has fluctuated between exceptional peaks and troughs since 1962, reached a new record of about 140 million tons (in terms of USDA estimates of usable grain).[26] Wheat, which suffered the worst shortfalls in 1963 and 1965, giving rise to large Soviet imports from Western countries, is estimated to have reached the impressive level of around 80 million tons. Output of other grains was also high due to higher yields. The total grain area was 8 million hectares below the 1964 level.

This performance resulted from a combination of good weather, favorable policy changes, and improved economic conditions in the USSR since the 1963 crop disaster. Weather

[25] The USDA index of Soviet agricultural production measures the final output of major crops and livestock products using USDA estimates and weighted by 1957-59 West European producer prices. It does not measure changes in livestock numbers or changes in the weight of live animals. Seed and waste are considered constants. Net output is estimated by deducting feed inputs as a constant percentage of the value of livestock production--meat, milk, eggs, and wool. The feed deduction is a 2-year moving average--i.e., lagged 6 months--to account for the contribution of one year's feed production to the following year's livestock output. The index nevertheless values changes in feed inventories to a certain extent and is more sensitive to changes in final output--it rises higher in 1964 and 1966, and declines in 1965--than would be the case with indexes valuing changes in livestock numbers and/or the weight of live animals.

[26] Soviet grain yields and production are reported in combine "bunker weight"--gross of excess moisture and foreign matter. USDA estimates attempt to approximate the quantity of usable grain, net of excess moisture and foreign matter. A high degree of precision should not be attributed to these estimates and they should be viewed as representing a range of perhaps 140 to 145 million tons for total grain and 80 to 85 million tons for wheat. The Soviet Minister of Agriculture has reported the 1966 total "bunker weight" grain harvest at 171 million tons.

was good in most winter and spring grain regions, which is not usually the case in the USSR. Although fall sowing was carried out under dry conditions, resulting in a 4 million hectare shortfall from the planned sown area, the winter was mild and spring was early with good rainfall. These conditions, coupled with much higher rates of fertilizer application and higher grain prices, resulted in an exceptionally good winter grain crop, most of which was wheat and rye. The growing season throughout 1966 was influenced by the early spring, advancing the harvest of most crops. Although the harvest period in the Ukraine and North Caucasus was interrupted by heavy rains and hailstorms, improved mechanization and better incentives apparently encouraged careful and efficient harvesting.

In the spring grain regions, dominated by the crucial "new lands" and accounting for the major portion of grain production, spring was late and soil moisture during the growing season was not as good in some regions as it was in 1964, the previous good year for spring grains. These factors were apparently more than offset, however, by an exceptionally long, dry fall which provided near-optimal harvesting conditions. The early harvest in European Russia and the long fall in the Eastern regions made it possible to shift men and machinery more advantageously than is usually the case.

Cotton production achieved another record, just under 6 million tons unginned, the fourth consecutive record cotton crop. The cotton area has declined since 1963. Higher prices in recent years--a higher base price and a 50 percent bonus for above-plan sales to the Government--more adequate mechanization, and increased fertilizer application are important factors in the rapid upsurge of cotton production. These factors offset reported shortages in the supply of irrigation water and damage resulting from earthquakes and attendant wind and rain storms reported in Uzbekistan, the major cotton region, during 1966.

Sugarbeets, reported at 73.8 million tons, did not surpass the record 1964 level, due in large part to reduced area, but was above the 1965 level. Oilseeds, dominated by sunflowerseed, exceeded slightly the record 1964 level. For the major industrial crops, therefore, 1966 was the third or fourth year of output well above the levels prevailing before 1963. This has contributed to a considerable stock buildup in sugar, vegetable oils, and cotton, and increased exports of some of these.

Potato production suffered from weather difficulties and other problems which were not typical of other crops. Output was slightly below the 1965 level. Vegetable production was reported below 1965, but fruit and grape production, which has advanced rapidly in recent years, exceeding 8 million tons in 1965, is estimated up again in 1966.

In the livestock sector the impact of foot-and-mouth disease in late 1965 was not apparently significant enough to offset an improved feed supply and higher prices and incentives. Output of milk, meat, wool, and eggs exceeded 1965 levels. For milk, meat, and eggs new records were established. Cattle and cow and sheep numbers rose slightly in 1966, while hog numbers declined slightly. The decline in hogs took place in the private sector, but that sector also showed the largest increases in cattle and cows. A minor increase in horse numbers in 1965, the first in a decade, may have continued into 1966. Larger supplies of livestock feed, both roughages and grain, were reported in 1966 than in any previous year.

Government purchases (procurements) of grains reached new peak levels in 1966--about 55 million tons of wheat and 75 million tons of all grains were reported by the Soviet Government long before the year ended. These purchases can be compared with purchases in recent years in table 3.

Wheat purchases were about 33 million tons higher than in 1965 and about 13 million tons higher than the previous peak year of 1958. Assuming recent domestic uses of Government wheat supplies this would permit a stock accumulation of around 18 to 20 million tons. Government purchases of grains, cotton,

Table 3.--Soviet Union: Government purchases of wheat and grain, 1958-66[1]

Type of grain	1958	1962	1963	1964	1965	1966[2]
	Million tons					
Wheat.........	41.9	34.6	22.7	38.7	21.8	55.0
Other grains[3]..	14.7	22.0	22.1	29.6	14.5	20.0
Total grains.	56.6	56.6	44.8	68.3	36.3	75.0

[1] All figures in accounting weight, i.e., at a standard moisture and foreign matter level.
[2] Total Government grain purchases of 74.9 million tons, and wheat purchases of over 54 million tons have been reported in the Soviet press.
[3] Includes rye, corn, barley, oats, buckwheat, millet, rice, peas, and beans.

sunflowerseeds and livestock products exceeded planned levels and some established new records. About 20 million tons of grain and about 600,000 tons of cotton were sold to the Government at the 50 percent bonus above the already higher purchase prices. Higher prices were in effect for many other crops as well.

Unquestionably 1966 gave a significant boost to the new Soviet 5-year plan (1966-70) and showed a remarkable recovery from the dismal performance of 1963. Although some crops did not attain record levels in 1966, the overall performance of Soviet agriculture, including all major sectors--grains, livestock and industrial crops--was well above previous levels.

AGRICULTURAL POLICY

Weather, as always in the USSR, must be given its share of the credit, but credit must also go to the major overhaul of agricultural policy which has taken place in the past 3 years. With surprising consistency, and at times quite unexpected speed, the new Soviet leadership under Brezhnev and Kosygin has pushed through a series of reforms which strike at some of the most serious weaknesses in the Soviet agricultural system without, however, significantly altering that system.[27]

These reforms have been discussed in previous issues of this report and in other USDA publications. They include: (1) a major alteration in the nature of Government purchases (procurements) of farm products--including a reduction in the physical quantities of crops and livestock products which must be delivered, fixing the quantities of these to be delivered for the remainder of this decade, and establishing higher base prices for these deliveries as well as high premiums for sales above fixed levels; (2) increased supplies of productive inputs such as fertilizers, machinery and other capital; (3) a relaxation of restrictions on the household plots of individuals--permiting a reinstatement of earlier plot size and livestock holdings, and allowing greater marketing freedom; (4) a variety of programs sharply improving farm prices and incentives; and (5) a much more realistic approach to basic crop and livestock production practices and to farm management.

The impact of 1963-66 economic reforms upon agricultural output has been partly obscured until now by adverse weather patterns. Weather affected the grain sector the most seriously, causing large imports by the Soviet Union. As a consequence Soviet agriculture appeared to have continued along the path of stagnation and crop failure typical of the first half of this decade, and by comparison 1966 performance appears surprising.

A brief glance at figure 1 will reveal, however, that after faltering seriously between 1958 and 1962, Soviet farm policy, spurred on by serious crop failure, large grain imports, and new leadership, has turned sharply

[27] A number of proposed changes in Soviet farm organizations have been discussed by Soviet authors, including greater use of the zveno system--a small group of farm workers assigned responsibility for an area of land--and even the introduction of market forces in agriculture, but these ideas have thus far been dismissed by the Government, which is relying upon the changes already made and planned to bring about improvements in production. Sel'skaya Zhizn', September 22, 1966, and December 21, 1966.

[28] The USSR and Eastern Europe Agricultural Situation: Review of 1965 and Outlook for 1966, ERS-Foreign 151, Economic Research Service, March 1966; G. Stanley Brown, "New Soviet Farm Program Strikes at Low Output," Foreign Agriculture, May 3, 1965; Harry E. Walters, "New Soviet Farm Plan," Foreign Agriculture, March 21, 1966.

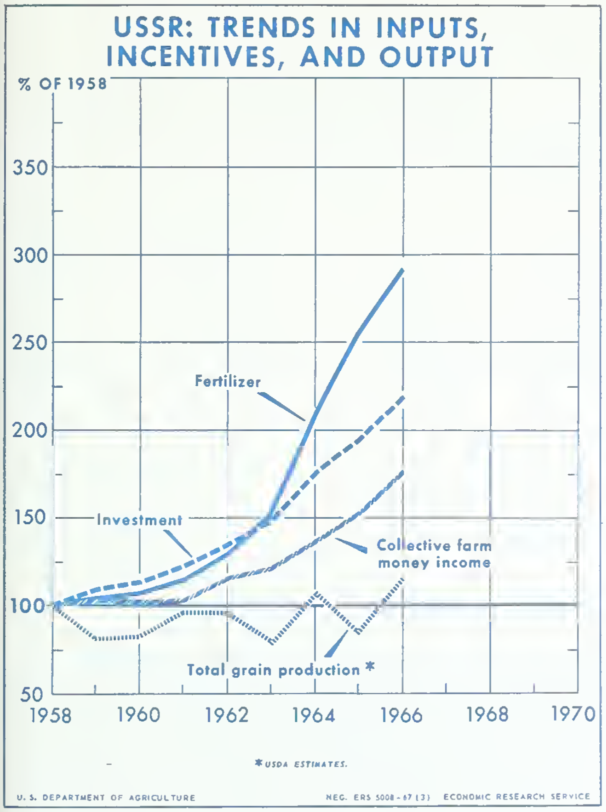

Figure 1

toward improving the economic base of agriculture and raising farm incentives.[29] Why the contribution to agriculture, in the form of machinery, fertilizer, other capital, and incentives, was allowed to slump so badly after the great output increase between 1953 and 1958 can be traced to a variety of causes.[30] By 1962 however, the failure of output to grow began to concern Khrushchev and he commenced to raise the supply of some inputs, primarily fertilizer, tractors and state capital investment, and to increase the prices of some products, primarily prices of livestock. He did little else, however, to assist agricultural production and impeded it by expanding Party and Government control over agriculture and pushing further corn and intensive feed crops at the expense of fallow and grasses, often in regions where little or no useful product could be obtained.

The 1963 weather disaster indicated how little and late these measures were. Khrushchev's replacement in late 1964 by Brezhnev and Kosygin resulted in the strong policy shift toward developing agriculture which shows up clearly in the input and incentive trends in 1965 and 1966. Had 1963 not been such a universally poor weather year, 1964 such a poor year for winter grains, and 1965 a repetition of the 1963 situation for spring grains, the general output trend undoubtedly would have been more regularly upward, as witness the trend in output of the industrial crops. In any case the delayed impact of these changes on grain production coupled with good 1966 weather combined to produce a level of output far superior to earlier years and one which suggests that agricultural output during the last half of this decade should grow more rapidly than during the first half.

Just how striking some of these changes have been can be seen by the rates of fertilizer application for major crops since the crop failure of 1963 (table 4).

Application rates undoubtedly increased sharply again in 1966 when 31 million tons of fertilizer (in gross weight) were delivered to agriculture compared to only 16 million tons in 1963 and 11.5 million tons in 1960.

Table 4.--Soviet Union: Rates of mineral fertilizer application, by crop, 1963-65

Crop	Plant nutrients per hectare		
	1963	1964	1965
	-----Kilograms-----		
Grain (excluding corn)	6.8	8.9	12.2
Cotton	232.9	259.2	281.9
Sugarbeets	91.2	164.1	208.3
Corn	17.4	21.9	26.2
Flax	59.9	72.1	101.5
Potatoes	51.3	71.8	97.3
Vegetables and melons	58.1	71.3	88.6

Source: Narodnoe khozyaystvo 1966, p. 362.

[29] For indexes of agricultural inputs, incentives, and output in the Soviet Union, see table 21 (in Appendix).
[30] Soviet Agriculture Today, FAER-13, Economic Research Service, June 1964, and sources cited in preceding note.

Table 5.--Soviet Union: Inventories and annual deliveries of major machines to agriculture, 1958-66

Year[1]	Tractors		Trucks		Combines	
	Inventories	Deliveries	Inventories	Deliveries	Inventories	Deliveries
	Thousands					
1958	941	157.5	660	102.1	483	64.9
1959	1,001	144.3	700	76.3	502	53.1
1960	1,054	157.0	729	66.1	494	57.0
1961	1,122	185.3	778	69.7	497	70.0
1962	1,212	206.0	795	82.6	498	79.2
1963	1,329	239.3	875	68.8	520	79.6
1964	1,442	222.5	922	68.0	517	78.6
1965	1,539	240.0	954	70.2	513	77.0
1966	1,650	[2] 277.0	982	[2] 106.0	520	[2] 86.0
1970 (Plan)[3]	2,490		1,012		530	

[1] Deliveries calendar year, inventories beginning of year.
[2] Sel'skaya zhizn', January 29, 1967.
[3] Ekonomika sel'skogo khozyaystva, No. 5, 1966, p. 27.

Source: Narodnoe khozyaystvo SSSR, 1960-65.

The most striking change in fertilization rates has taken place in the grain sector where in 1966 some 10 to 11 million tons was allocated for that purpose compared to less than 2 million tons in 1958. Most of this fertilizer is for winter grains and corn.

Similar sharp upward movements are visible in other inputs. Capital investment in 1966, reported at 12 billion rubles,[31] was more than twice the 1958 level and almost double the 1961 level of 6.8 billion. In 1966 the most striking upward movement was in machinery deliveries (table 5). Tractor deliveries moved upward in 1963 to about 240,000, but slumped in 1964 and only regained the 1963 level in 1965. But in 1966 they reached an annual delivery level of 277,000. Trucks, the need for which is acute in agriculture, continued to be delivered in inadequate quantities despite promised increases through 1965. In 1966, however, truck deliveries increased 51 percent.

The major agricultural policy developments in 1966 were a further continuation of the present emphasis upon improving the economic underpinnings of agriculture and further raising incentives to farm workers. In March the basic production goals for the 5-year plan were announced and are contained in table 6 along with actual production levels and earlier Soviet agricultural plans. The most striking feature of the plan is the great reduction in levels of output now anticipated as compared with those under Khrushchev. Output by 1970 is now planned to be well below the output planned for 1965 under Khrushchev. Although the planned increase in grain production is substantial it is noteworthy that the plan implies a strong funneling of resources into the grain sector by calling for relatively modest increases in output of industrial crops and livestock products.

The relatively "modest" character of the new plan can also be seen by the fact that many of the planned average levels of output for 1966-70 were reached or approximated in 1966; for example grains, cotton, meat, milk, and eggs. Commensurate with their cautious tone, the new Soviet leadership has acknowledged the favorable impact of weather in 1966 by calling for a less spectacular 4 percent increase in output in 1967.

The sharp upturn in inputs in 1966 lends credence to the major increases in inputs planned for the period 1966-70 (table 7).

If these deliveries materialize as planned they will bring Soviet agriculture closer to a level of mechanization considered by Soviet

[31] Sel'skaya zhizn', January 29, 1967.

Table 6.--Soviet Union: Agricultural production and targets for future production under old and new plans

Item	Agricultural production				Production targets under old plans[3]			Production targets under new 5-Year Plan	
	Average 1961-65[1]	Maximum 1961-65[1]	Actual 1965[1]	Estimated 1966[2]	7-Year Plan 1965	20-Year Plan 1970	20-Year Plan 1980	Average 1966-70[4]	1970
	Billion rubles								
Gross agricultural production..........	52.3	55.3	55.3	61.1	82.4	124.5	174.3	65.4	[5] 72
	Million tons								
Grains...............	130.3	152.1	121.1	170.8	164-180	230	295-300	167	[6] 180
Potatoes.............	81.6	93.6	88.7	87.2	147	140	156	100	[5] 110-115
Vegetables...........	16.9	19.5	17.6	17.2	n.a.	47	55	n.a.	n.a.
Sugarbeets...........	59.2	81.2	72.3	73.8	76-84	86	98-108	80	[5] 80-85
Oilseeds.............	5.7	6.6	6.1	6.8	5.5	8	9-10	n.a.	n.a.
Cotton...............	5.0	5.7	5.7	6.0	5.7-6.1	8	10-11	5.6-6.0	[5] 6.0
Fruit and grapes.....	6.5	8.1	8.1	[7] 8.5	13.2	28	51	n.a.	n.a.
Meat.................	9.3	10.2	10.0	10.8	16.0	25	30-32	11	[6] 12
Milk.................	64.7	72.6	72.6	76.1	100-105	135	170-180	78	[6] 85.7
Eggs (billions)......	28.7	30.1	29.1	31.4	37	68	110-116	34	[6] 38.7
Wool (1,000 tons)....	362	373	357	372	500	800	1,000-1,100	n.a.	n.a.

[1] Narodnoe khozyaystvo 1960-1965, all figures as reported by the USSR, i.e., "bunker weight" for grains and oilseeds, fat and offals included in meat, milk including direct consumption by calves, etc. Not comparable in all cases with USDA estimates contained in this report. [2] Sel'skaya zhizn', January 29, 1967. [3] Walters, Harry E., and Richard W. Judy, Soviet Agricultural Output by 1970, paper presented at the Conference on Soviet and East European Agriculture, Santa Barbara, California, August 1965. [4] Pravda, February 20, 1966. [5] Implied. [6] Ekonomika sel'skogo khozyaystvo, No. 5, 1966. [7] Estimated.

n.a. = Not available.

authorities as necessary to carry out farm practices at peak periods.[32] These levels will still be far below those needed for efficient performance, but nevertheless a major improvement over existing conditions. In the Soviet Union the ability to sow and harvest at optimal periods is an especially important factor affecting yields. Present field work is carried out over a far longer period than Soviet or Western specialists consider optimal.

In addition to revealing much of the backup data for the present 5-year plan, including planned sizable increases in the supply of consumer goods (especially in rural areas), the Soviet Government moved on two other major policy fronts in agriculture during 1966. The first was additional direct steps to raise incentives of farm workers and the second was the setting forth of a major program of irrigation and land reclamation to be carried out during the period 1966-75.

[32] Novikov, M., "Ukrepit' material'no-tekhnicheskuy bazu kolkhozov i sovkhozov," Ekonomika sel'skogo khozyaystva, No. 5, 1966, pp. 24-37.

Although some reform of the wage system for collective farm workers had been expected, the Soviet Government announced rather surprisingly that effective July 1, 1966,

Table 7.--Soviet Union: Major inputs in agriculture, 1956-70

Item	Actual		Planned 1966-70
	1956-60	1961-65	
	Billion rubles		
Capital investment, total for 5-year period.......	25.2	41.0	71.0
	Thousands		
Annual average deliveries of machinery to agriculture:			
Tractors...............	149.5	210.6	356.0
Trucks.................	96.8	72.2	220.0
Grain combines.........	65.0	76.9	110.0
	Million tons		
Fertilizer delivered to agriculture annually by end of period (gross weight)................	11.4	27.5	55.0

Source: Foreign Agriculture, March 21, 1966, p. 4.

collective farms were to commence the payment of wages on a regular monthly basis and to raise wage levels to those prevailing on state farms for the same type of work. In addition the Government is to provide loans to farms which are not able to meet these higher, regular pay scales. As a final sharp departure from past practice the wage fund for collective farm workers was given priority over other demands on the farm's income. The practice until now has been that collective farm workers were residual claimants on the farm's income receiving only that portion remaining after taxes, production expenses and funds for investment had been met.

The terminology of the decree stated that the payment system was "recommended," but clearly the recommendation was a strong one and is generally being implemented. A number of problems have emerged as would be expected [33] and the system still does not raise the general level of collective farm incomes to the level of state farm incomes--it only equates wages for a given quantity of work. Nevertheless, it is the most important step taken thus far to raise incentives sharply for collective farm workers--who make up the backbone of the agricultural labor force.

During 1966, there was also a frank acknowledgement in Soviet journals that the Soviet agricultural system is not at this stage sufficiently remunerative to collective farm workers to permit them to get along without the income derived from private plots. Although this has long been known, it was seldom acknowledged by Soviet officials and quite often denied. Now, however, the absolute necessity of subsidiary private plots--not only to provide adequate production of such products as meat, milk, eggs, potatoes, vegetables, and fruit, but to provide an adequate income to collective farmers--is openly discussed. [34]

[33] Pravda, December 28, 1966. Not all farms have adopted the system and many have not yet implemented it in full. This is to be expected considering the major changes involved and the deeply entrenched system which has prevailed basically unchanged for 30 years.

[34] Makeenko, M., "Ekonomicheskaya rol' lichnogo podsobnogo khozyaystva", Voprosy ekonomiki, No. 10, 1966, pp. 57-67.

Another direct measure by the Government to raise farm worker's incomes was a decree granting special bonuses to state farm machinery operators. These bonuses, ranging from 30 to 100 percent, are being paid for fulfillment and overfulfillment of work norms during the first days of harvest and other crucial farm periods. These bonuses are designed to have their greatest impact in those areas of the country where speed is of utmost importance, such as the "new lands" regions, and they undoubtedly played an important role in the rapid, efficient harvest of grains in 1966.

These direct incentive measures guarantee that higher agricultural earnings which arise out of higher prices for farm products will be passed on more directly to farm workers. The purpose is not only to give greater incentives to farm workers and thus stimulate output, but to improve the general standard of living in agriculture, and hopefully, stem the heavy drain of skilled manpower from the farm sector.[35]

The combination of all these factors, together with the good output in 1966, had a dramatic impact upon farm income. Cash income of collective farms increased more than 8 percent in 1965 despite the fact that output increased little and declined in net terms. Collective farm income is reported up 15 percent in 1966,[36] and the income of collective farm members, from the socialized sector alone, is claimed to have been 14 percent over 1965.[37] In the Ukraine, an even greater increase in collective farm cash income has been reported.

[35] Feshbach, Murray, "Manpower in the USSR: A Survey of Recent Trends and Prospects", New Directions in the Soviet Economy, Joint Economic Committee, Congress of the United States, Washington, 1966, pp. 717 and 741. The question of low income levels and inadequate conditions in rural areas and the effect of this on labor migration out of agriculture was a major topic in the March 1965 Plenum--Plenum tsentral'nogo komiteta kommunisticheskoy partii sovetskogo soyuza, 24-26 Marta, 1965 g, Moscow 1965. The drain of the young and skilled has been especially great in recent years.

[36] Sel'skaya zhizn', January 29, 1967.

[37] Baybakov, N. K., Ekonomicheskaya Gazeta, No. 51, 1966.

Along with the effort to return to more effective farm practices--using better quality seeds, leaving more land fallow and in grasses, allowing farms more initiative in cropping practices and other measures--the Soviet Government set forth in 1966 a bold program of major irrigation and land reclamation work during the next decade (1966-75). The program envisages opening up to irrigation 7 to 8 million hectares of land, most of which is in the drought plagued areas of the Southern Ukraine, the RSFSR, and in the already extensively irrigated areas in Soviet Central Asia. From 15 to 16 million hectares are to be reclaimed, improved, and drained, primarily in the non-black-soil zone of European Russia which has adequate rainfall, but has been neglected in recent decades. These measures are designed to stabilize grain yields which have fluctuated wildly in recent years because of the concentration of grain production in weather-sensitive areas.

In addition, water systems are to be extended to 51.6 million hectares of pasture land which at present has insufficient or no water for livestock. Liming and a variety of other soil improving measures are included in the program.

The great need for such a program is evident and has been mentioned many times in the past, especially following years of significant drought. The present program is an expensive one which will have limited immediate benefits and the extent to which it is carried out will be a true test of the Government's commitment to make long-run improvements in agriculture.

The 1967 plan for agriculture, as noted earlier, calls for a 4 percent increase in output. This reflects the Soviet Government's assumption that natural conditions cannot be expected to be as favorable as they were in 1966, rather than a relaxation of efforts to raise farm output. Agriculture is to receive 287,000 tractors, 150,000 trucks, and 96,500 combines, a significant increase over deliveries in 1966 (table 5), but still far below the annual deliveries planned for the period 1966-70 (see table 7). Fertilizer deliveries are to rise about 5 percent to 32.1 million tons, a much slower increase than during 1966 or 1965, and capital investment is to increase about 10 percent. Implementing the new irrigation and reclamation program, about 700,000 hectares are to be drained and 261,000 hectares irrigated. About 6.5 million hectares of pasture land will be supplied with water for livestock.

The plan for 1967 indicates that the upward movement of inputs will continue, but it also indicates that the pace is below that which must be achieved if the input plans for 1966-70 are to be met. It is to be expected that the pace of increasing inputs would be slower during the first years of the plan and pick up toward the end of the decade, but much of the success of the plan depends upon the increase in inputs and the pace of increase will be a good indication of the potential success of the plan. The fact that only an annual plan was presented, rather than the entire 5-year plan, suggests that many problems of resource allocation are not yet resolved.[38]

There is no indication, however, of serious second thoughts about the need for improving agriculture. The major measures put into effect since the agricultural program was announced in March 1965 indicate a continuous upward movement of inputs and no stagnation or decline such as took place after 1958. That incomes of collective farm members in cash and kind from the socialized sector are planned to increase an additional 8.6 percent in 1967, twice the rate of the planned output increase, indicates no let-up in improving farm incentives. If this planned increase in incomes takes place, the real income of collective farm members will have increased 30 percent in 3 years.[39] Increasing

[38] The prospects for the success of the plan have been evaluated in various USDA publications (see footnote 27). This evaluation assumes that although the agricultural program will raise farm output substantially, difficulties in implementing it and the difficulty of reorienting a long-entrenched system will result in an output increase lower than that planned. Furthermore, despite the exceptionally good performance in 1966, the benefits of the program will, under average conditions, be more noticeable toward the end of the period than at the beginning.

[39] Baybakov op. cit.

farm income and worker's incentives are crucial to the plan since the former must precede the acquisitions of additional inputs and the latter will be required if the inputs are to be efficiently used.

FOOD SITUATION

After the dismal outlook since 1958, food supplies in the Soviet Union improved markedly in 1966. In the area of the bread supply--the major staple in the Soviet diet--much of this must be credited to the large imports of wheat during 1963-66. Some recent Soviet data on levels of per capita consumption of major food commodities indicate clearly the major changes in the Soviet diet which have taken place in the past 15 years (table 8).

The major improvement in the diet between 1950 and 1958 is evident, reflecting the rapid rise in agricultural output after Khrushchev came to power in 1953. Equally evident is the stagnation in per capita consumption, and even declines in some cases, following the stagnation in output which set in after 1958. The generally continuous rise in output of industrial crops is reflected in the more constant increase in per capita consumption of sugar and vegetable oils, while the stagnation in livestock output between 1960 and 1964 shows up in the depressed levels of consumption of meat and milk. Striking also is the still high consumption of cereals and potatoes, suggesting that even with an improved diet these commodities loom large. Roughly 45 to 48 million tons of food grains a year are required to satisfy the total domestic demand for bread and bread products.

Table 8.--Soviet Union: Per capita consumption of major food commodities, selected years, 1950-65

Commodity	Consumption per capita				
	1950	1958	1960	1964	1965
	- - - - -Kilograms- - - - -				
Meat and meat products including fat and subproducts..........	26	36	40	38	41
Milk and milk products in terms of milk.....	172	238	240	238	252
Eggs (pieces).........	60	108	118	113	124
Fish and fish products	7	9.8	9.9	12.2	12.6
Sugar.................	11.6	24.2	28.0	32.2	34.2
Vegetable oils........	2.7	4.7	5.3	6.6	7.1
Potatoes..............	241	150	143	140	141
Vegetables and melons.	51	71	70	74	73
Bread and bread products in terms of flour and other milling equivalents......	172	172	164	159	156

Source: Narodnoe khozyaystvo SSSR 1965, Moscow, 1966, p. 597.

The new Soviet 5-year plan calls for a sharp upward movement in the level of per capita consumption of all but the basic food items. Between 1965 and 1970 consumption per capita is planned to increase 20 to 25 percent for meat, 15 to 18 percent for milk, 25 percent for sugar, 35 to 40 percent for vegetables, 40 to 46 percent for vegetable oil, 45 to 50 percent for fruits, and 50 to 60 percent for fish. Part of these planned sharp increases are designed to make up for the failure of the diet to improve significantly after 1958, and part to supply the demands which will inevitably arise out of the planned increased incomes. Although the magnitudes appear large, it should be remembered that the Soviet diet is still extremely inadequate in quality foods, not only by international comparisons, but by Soviet standards of a desirable diet, and this condition will still exist in 1970.

AGRICULTURAL TRADE

Relaxation of the pressure for large wheat imports and further expansion of exports of vegetable oils and cotton dominated the Soviet Union's agricultural trade in 1966. The bumper wheat crop will show up largely in 1967 with gross wheat exports for that year already indicated in the range of 4 to 5 million tons, going principally to Poland, East Germany, Czechoslovakia, Cuba, the UAR, Algeria, and India.

In June, presumably before the size of the 1966 wheat crop could have been known, the Soviet Union contracted to import 9 million tons of wheat from Canada over the next 3 years. This agreement is still in force, and Soviet officials have indicated that they intend to carry it out. Much of these imports will probably go to the Soviet Far Eastern regions and to satisfy other commitments of the Soviet Union.

Prior to the wheat crop failures of 1963 and 1965, average net wheat exports by the USSR were around 4 to 5 million tons. The present agreement with Canada will allow the Soviet Union to export 3 million tons of wheat annually before she becomes a net wheat exporter. It is likely therefore that the larger than anticipated 1966 crop will result in larger Soviet gross wheat exports than would have been the case with a less spectacular crop and without the contract with Canada. But the desire to accumulate stocks must still be strong among Soviet leaders, and a shortfall such as 1963 would wipe out much of the reserve accumulated in 1966. Whether large wheat exports will continue on into 1968 will depend largely upon the size of the 1967 wheat crop. If it should be exceptionally poor as in 1963 and 1965, the Soviet Union will likely tighten up on exports and attempt to conserve its stocks accumulated from the 1966 crop. But if the 1967 crop is good or turns out to be a bumper one, the Soviet Union would have considerable supplies available for export.

The greatly increased Government purchases of cotton, sugar, and vegetable oils during 1964-66 have only partly shown up in increased domestic consumption; the Soviet presence as an exporter in world markets of these crops was felt strongly in 1966. This situation is likely to intensify in 1967 because of large Government purchases in 1966. Whether a continued increase in Soviet exports of these commodities will continue or they will level off at a new higher plateau is not clear. So far the trend in exports is upward and little increase in domestic sales through state channels (that portion of the food supply which comes from Government purchases) appeared through 1965. However, the new 5-year plan calls for major increases in domestic consumption of these commodities but a relatively slow increase in production. This suggests that exports too will level off.

Virtually all major imports of agricultural commodities increased in 1965 with especially sharp increases in imports of livestock products. Imports of food products and edible raw materials jumped from 11.5 to 20.2 percent of total imports between 1962 and 1965. Exports of butter, barley, sugar, oilcake, cotton, wool, and vegetable oils increased, but total agricultural exports declined. Exports of food products and edible raw materials dropped from 13.3 percent to 8.4 percent of total exports between 1962 and 1965. In 1967 an increase in agricultural exports and a decline in agricultural imports can be expected because of the generally good performance of all agricultural sectors in 1966.

Soviet trade with other communist countries has gradually declined from 73 percent of the total in 1960 to 69 percent in 1965, reflecting decreased trade with China. However, all East European countries, except East Germany, which already has a large share of its trade with the USSR, increased their share in total Soviet trade from 1960 to 1965, indicating even closer trade ties than existed at the beginning of the decade. Trade agreements between some East European countries and the USSR for the period 1966-70 indicate that a further increase in the relative share of trade with these countries is planned.

Among noncommunist countries the United Kingdom, Finland, Japan, India, and the UAR are the most important countries in Soviet trade; they each have about 2.5 percent of the total. Italy, Germany, and France follow with about 1.5 percent.

Trade between the United States and the USSR, which is quite small, shifted markedly between 1964 and 1965. Total U.S. exports to the USSR dropped from $144 million to $44 million, while U.S. imports from the USSR rose from $20 million to $43 million. U.S. agricultural exports fell from $127 million in 1964 to $29.3 million in 1965, while U.S. agricultural imports rose from $1.8 million to $2.5 million during the same period. The major commodities exported by the U.S. were fats and oils most of which was tallow, soybeans, and hides and skins. U.S. imports were primarily furs, cotton linters, fish, bristles, and hides and skins. (Harry E. Walters)

Country	Population, 1965	Labor force: Total, 1964	Labor force: Agricultural, 1964	Agricultural as percentage of total 1/: 1955	Agricultural as percentage of total 1/: 1964	Share of total consumer expenditures used for food, at 1958 prices: 1955	Share of total consumer expenditures used for food, at 1958 prices: 1964
	- - - - - Millions	- - - - -		- - - - - -	Percent	- - - - - -	
Austria	7.3	3.4	0.7	31	21	46	32
Belgium	9.5	3.6	0.2	9	6	29	26
Denmark	4.8	2.3	0.4	24	17	26	21
Finland	4.6	2.2	0.7	38	32	38	30
France	48.9	19.9	3.7	27	19	35	30
West Germany 5/	59.0	26.7	3.1	6/18	12	7/40	7/36
Greece	8.6	4.4	2.0	54	45	49	42
Ireland	2.9	1.1	0.4	37	32	8/38	8/34
Italy	51.6	20.1	5.0	35	25	45	42
Netherlands	12.3	4.4	0.4	12	10	33	29
Norway	3.7	1.5	0.3	19	20	32	29
Portugal	9.2	3.6	4/1.3	44	37	51	41
Spain	31.6	12.3	4.2	45	34	7/9/55	7/42
Sweden	7.7	3.8	0.5	17	12	4/30	4/29
Switzerland	5.9	2.9	0.2	14	7	35	28
United Kingdom	54.6	25.4	0.9	5	4	30	27

1/ Agricultural labor force includes fishing, forestry and hunting.
2/ Values are reported at factor cost, except for the following countries which report in market prices: France and West Germany.
3/ Gross agricultural production includes the agricultural sector only except for the following countries which add fishing, forestry and hunting: Austria, France, West Germany and the United Kingdom.
4/ USDA estimate.
5/ Includes West Berlin and the Saar unless otherwise indicated.
6/ Excludes West Berlin and the Saar.
7/ Includes beverages and tobacco.
8/ Includes nonalcoholic beverages.
9/ Information is for 1958.

Index of gross domestic production, at 1958 prices 2/ (1957-59=100)			Index of gross agricultural production, at 1958 prices 2/ (1957-59=100)			Gross agricultural production as percentage of gross domestic production 3/	
1963	1964	1965	1963	1964	1965	Average 1957-59	Average 1963-65
						- - - Percent - - -	
124	131	142	109	115	4/115	13	9
124	132	136	110	114	107	7	6
140	151	158	101	107	112	16	12
150	155	165	103	112	119	20	21
129	136	143	116	118	124	11	8
139	148	155	115	122	114	6/7	6
133	144	155	116	121	126	30	25
125	134	137	116	135	142	34	26
136	141	145	106	109	117	19	15
125 -	135	144	121	124	130	10	9
125	133	141	91	95	94	6	4
136	145	162	115	110	119	22	17
143	154	166	127	117	118	24	18
125	134	139	4/93	4/100	4/97	6	4
129	136	141	4/111	4/114	4/114	8	7
117	123	127	96	96	95	4	3

Population and expenditures: OECD Main Economic Indicators and official country statistics. Labor Force: OECD Manpower Statistics. Gross domestic product and gross agricultural product: OECD National Account Statistics and United Nations' Yearbook of National Account Statistics. Finland: Official sources.

Country and year	Production								Area			
	Potatoes	Sugar-beets	Cotton	Tobacco 2/	Olive oil 2/	Fruit 3/ Apples	Fruit 3/ Pears	Fruit 3/ Citrus	Potatoes	Sugar-beets	Cotton	Tobacco 2/
	1,000 tons								1,000 hectares			
Austria:												
1962	3,214	1,544	---	4/	---	240	70	---	169	48	---	4/
1963	3,488	2,090	---	1	---	235	55	---	160	48	---	4/
1964	3,438	2,133	---	1	---	241	64	---	157	53	---	4/
1965	2,540	1,461	---	1	---	178	42	---	145	38	---	4/
1966	2,726	2,150	---	1	---	227	52	---	137	49	---	4/
Belgium-Luxembourg:												
1962	1,991	5/2,019	---	5/3	---	131	53	---	73	5/57	---	5/1
1963	1,529	5/2,135	---	5/3	---	149	51	---	69	5/57	---	5/1
1964	1,828	5/3,113	---	5/2	---	189	70	---	65	5/64	---	5/1
1965	1,424	5/2,745	---	5/2	---	175	45	---	62	5/65	---	5/1
1966	1,252	5/2,642	---	5/2	---	216	30	---	60	5/66	---	5/ 4/
Denmark:												
1962	1,162	1,440	---	---	---	6/73	6/6	---	62	42	---	---
1963	1,334	2,598	---	---	---	6/83	6/6	---	64	69	---	---
1964	1,211	3,154	---	---	---	6/94	6/8	---	54	84	---	---
1965	939	1,883	---	---	---	6/90	6/7	---	41	61	---	---
1966	966	2,300	---	---	---	6/90	6/9	---	39	60	---	---
Finland:												
1962	950	367	---	---	---	---	---	---	74	20	---	---
1963	1,220	455	---	---	---	---	---	---	77	16	---	---
1964	850	431	---	---	---	---	---	---	71	20	---	---
1965	1,257	408	---	---	---	---	---	---	73	20	---	---
1966	1,066	357	---	---	---	---	---	---	68	17	---	---
France:												
1962	13,389	10,089	---	39	2	857	309	---	862	314	---	21
1963	15,817	12,502	---	41	2	987	334	---	834	339	---	23
1964	11,553	16,240	---	44	2	1,039	331	---	690	396	---	20
1965	11,068	16,901	---	50	2	1,060	281	---	564	393	---	21
1966	10,328	12,750	---	49	2	1,193	297	---	524	290	---	21
West Germany:												
1962	25,091	9,154	---	10	---	1,694	461	---	963	290	---	4
1963	25,814	12,662	---	12	---	1,961	423	---	925	301	---	4
1964	20,625	13,243	---	10	---	1,216	484	---	852	327	---	4
1965	18,094	10,357	---	9	---	1,184	303	---	783	293	---	4
1966	18,847	12,000	---	9	---	1,473	351	---	732	293	---	4
Greece:												
1962	495	231	89	94	56	140	34	320	43	6	206	124
1963	585	351	94	129	209	133	45	307	50	10	237	146
1964	631	533	68	136	129	160	53	409	49	12	142	144
1965	589	661	74	124	191	166	45	441	49	16	136	129
1966	608	705	85	116	182	158	45	504	48	19	141	117
Ireland:												
1962	2,022	931	---	---	---	---	---	---	85	31	---	---
1963	1,969	952	---	---	---	---	---	---	83	36	---	---
1964	1,678	911	---	---	---	---	---	---	74	32	---	---
1965	1,648	758	---	---	---	---	---	---	70	27	---	---
1966	1,555	612	---	---	---	---	---	---	68	21	---	---
Italy:												
1962	3,557	6,802	4	46	310	2,182	875	1,186	377	226	22	36
1963	4,386	7,667	5	65	538	2,336	961	1,552	386	230	16	49
1964	3,824	7,062	5	79	290	2,381	1,081	1,743	356	231	16	53
1965	3,548	8,887	4	74	417	2,185	962	1,709	348	275	14	55
1966	3,883	10,600	4	75	330	2,450	1,150	1,760	350	303	14	55

See footnotes at end of table.

and area of selected crops, 1962-66 1/

Production: Wheat	Production: Rye	Production: Feed grains: Barley	Production: Feed grains: Oats	Production: Feed grains: Other	Production: Feed grains: Total	Production: Rice 2/	Production: Total grains	Area: Wheat	Area: Rye	Area: Feed grains: Barley	Area: Feed grains: Oats	Area: Feed grains: Other	Area: Feed grains: Total	Area: Rice 2/	Area: Total grains
1,000 tons								1,000 hectares							
706	467	557	332	244	1,133	---	2,306	270	209	193	151	75	419	---	898
690	322	617	342	258	1,217	---	2,229	275	156	229	152	77	458	---	889
751	388	605	327	279	1,211	---	2,350	283	166	227	143	77	447	---	896
661	316	523	274	235	1,032	---	2,009	276	157	220	136	78	434	---	867
938	360	706	325	343	1,374	---	2,672	314	144	230	126	87	443	---	901
887	126	522	464	11	997	---	2,010	233	41	137	141	4	282	---	556
820	130	504	437	11	952	---	1,902	226	44	142	128	3	273	---	543
945	142	534	403	9	946	---	2,033	235	45	137	120	3	260	---	540
903	107	546	334	37	917	---	1,927	246	41	157	113	14	284	---	571
740	80	500	313	40	853	---	1,673	233	38	168	103	13	284	---	555
644	513	3,300	609	719	4,628	---	5,785	154	174	830	164	221	1,215	---	1,543
495	319	3,399	671	619	4,689	---	5,503	135	116	938	186	195	1,319	---	1,570
541	292	3,900	821	659	5,380	---	6,213	128	93	950	211	186	1,347	---	1,568
564	265	4,125	780	479	5,384	---	6,213	127	88	1,041	203	138	1,382	---	1,597
389	142	4,141	878	380	5,399	---	5,930	93	49	1,106	225	115	1,446	---	1,588
422	101	270	616	36	922	---	1,445	286	82	205	456	30	691	---	1,059
397	124	492	820	67	1,379	---	1,900	239	77	262	444	35	741	---	1,057
463	163	370	742	41	1,153	---	1,779	268	102	252	470	32	754	---	1,124
501	190	502	1,021	59	1,582	---	2,273	267	111	252	472	29	753	---	1,131
369	119	597	881	52	1,530	---	2,018	209	93	321	479	30	830	---	1,132
14,054	356	5,893	2,590	2,089	10,572	130	25,112	4,570	243	2,176	1,356	991	4,523	31	9,367
10,249	357	7,384	2,876	4,334	14,594	117	25,317	3,850	232	2,538	1,287	1,176	5,001	30	9,113
13,838	389	6,791	2,310	2,564	11,665	122	26,014	4,388	220	2,360	1,094	1,096	4,550	30	9,188
14,760	387	7,378	2,509	3,935	13,822	95	29,064	4,521	221	2,430	1,070	1,147	4,647	30	9,419
11,272	387	7,452	2,565	4,581	14,598	112	26,369	3,991	205	2,649	1,087	1,195	4,931	28	9,155
4,591	2,963	3,744	2,333	1,597	7,674	---	15,228	1,319	1,091	1,139	805	544	2,488	---	4,898
4,856	3,239	3,562	2,321	1,457	7,340	---	15,435	1,382	1,139	1,144	770	494	2,408	---	4,929
5,203	3,609	3,915	2,308	1,516	7,739	---	16,551	1,447	1,146	1,153	766	485	2,404	---	4,997
4,348	2,825	3,365	2,052	1,297	6,714	---	13,887	1,412	1,128	1,193	727	464	2,384	---	4,924
4,533	2,696	3,869	2,340	1,386	7,595	---	14,824	1,389	1,021	1,288	778	463	2,529	---	4,939
1,769	24	252	155	276	683	76	2,552	1,091	25	186	132	193	511	19	1,646
1,387	20	243	136	326	705	83	2,195	935	20	182	117	207	506	19	1,480
2,170	22	278	155	299	732	113	3,037	1,207	19	188	121	164	473	25	1,724
1,998	19	412	177	279	868	105	2,990	1,124	16	231	125	147	503	22	1,665
1,962	15	632	174	320	1,126	86	3,189	1,018	13	321	122	142	585	17	1,633
439	1	602	396	---	998	---	1,438	129	1	164	140	---	304	---	434
277	1	594	368	---	962	---	1,240	94	1	174	134	---	308	---	403
244	1	512	304	---	816	---	1,061	87	1	184	117	---	301	---	389
209	2	573	316	---	889	---	1,100	74	1	188	115	---	303	---	378
163	2	610	290	---	900	---	1,065	52	1	187	99	---	286	---	339
9,497	93	285	597	3,281	4,163	663	14,416	4,556	56	210	411	1,126	1,747	118	6,477
8,127	77	280	548	3,716	4,544	564	13,312	4,395	53	204	400	1,127	1,731	115	6,294
8,582	86	252	466	3,982	4,700	624	13,992	4,408	51	197	384	1,078	1,659	120	6,238
9,777	83	285	527	3,338	4,150	480	14,490	4,290	47	186	367	1,033	1,586	126	6,049
9,407	83	253	476	3,522	4,251	700	14,441	4,274	48	179	359	997	1,535	142	5,999

--Continued

Table 10.--Western Europe: Production and

Country and year	Production: Potatoes	Production: Sugar-beets	Production: Cotton	Production: Tobacco 2/	Production: Olive oil 2/	Production: Fruit 3/: Apples	Production: Fruit 3/: Pears	Production: Fruit 3/: Citrus	Area: Potatoes	Area: Sugar-beets	Area: Cotton	Area: Tobacco 2/
	1,000 tons								1,000 hectares			
Netherlands:												
1962	3,953	2,934	---	---	---	226	92	---	130	77	---	---
1963	3,856	2,691	---	---	---	280	107	---	135	69	---	---
1964	4,110	3,876	---	---	---	517	146	---	125	79	---	---
1965	3,229	3,574	---	---	---	360	80	---	123	91	---	---
1966	4,124	3,644	---	---	---	400	90	---	131	92	---	---
Norway:												
1962	919	---	---	---	---	64	9	---	51	---	---	---
1963	1,216	---	---	---	---	49	7	---	52	---	---	---
1964	803	---	---	---	---	56	6	---	49	---	---	---
1965	1,134	---	---	---	---	43	8	---	48	---	---	---
1966	1,090	---	---	---	---	40	6	---	45	---	---	---
Portugal:												
1962	894	---	---	---	54	n.a.	n.a.	n.a.	102	---	---	---
1963	1,075	---	---	---	99	n.a.	n.a.	n.a.	95	---	---	---
1964	1,080	---	---	---	41	n.a.	n.a.	n.a.	106	---	---	---
1965	798	---	---	---	72	n.a.	n.a.	n.a.	95	---	---	---
1966	894	---	---	---	41	n.a.	n.a.	n.a.	105	---	---	---
Spain:												
1962	4,207	3,584	113	30	327	256	124	1,611	412	166	346	19
1963	5,461	2,750	97	25	590	353	158	1,912	455	116	263	17
1964	3,946	3,500	77	25	200	295	159	1,857	364	146	198	17
1965	3,997	3,825	81	32	314	328	162	1,970	384	146	198	19
1966	4,164	3,915	92	25	500	362	170	2,468	370	144	251	21
Sweden:												
1962	1,308	1,442	---	4/	---	274	61	---	103	47	---	4/
1963	1,610	1,574	---	4/	---	217	43	---	93	40	---	4/
1964	1,238	1,857	---	4/	---	305	65	---	81	44	---	4/
1965	1,542	1,340	---	---	---	187	54	---	62	42	---	---
1966	1,197	1,436	---	---	---	184	37	---	58	41	---	---
Switzerland:												
1962	1,290	168	---	2	---	222	40	---	47	5	---	1
1963	1,479	297	---	2	---	181	35	---	45	7	---	1
1964	1,352	362	---	2	---	199	34	---	43	8	---	1
1965	1,220	298	---	2	---	153	23	---	41	8	---	1
1966	1,202	360	---	2	---	178	27	---	40	8	---	1
United Kingdom:												
1962	6,765	5,398	---	---	---	485	53	---	298	170	---	---
1963	6,682	5,338	---	---	---	532	65	---	311	170	---	---
1964	7,063	6,318	---	---	---	660	70	---	315	179	---	---
1965	7,579	7,630	---	---	---	566	74	---	300	184	---	---
1966	7,317	7,168	---	---	---	438	39	---	270	180	---	---
Totals:												
1962	71,207	46,103	206	224	749	6,844	2,187	3,117	3,851	1,499	574	206
1963	77,521	54,062	196	278	1,438	7,496	2,290	3,771	3,834	1,508	516	241
1964	65,230	62,733	150	299	662	7,352	2,572	4,009	3,451	1,691	356	240
1965	60,606	60,728	159	293	996	6,675	2,086	4,120	3,188	1,657	348	231
1966	61,219	60,639	181	278	1,055	7,409	2,303	4,732	3,045	1,584	406	220

1/ 1966 data are estimates.
2/ 1965 data are preliminary.
3/ Data for apples and pears include those for dessert and cooking only; fruit totals exclude Portugal.
4/ Less than 500.
5/ Belgium only.
6/ Commercial crop.

area of selected crops, 1962-66 1/--Continued

Production: Wheat	Production: Rye	Production: Feed grains: Barley	Production: Feed grains: Oats	Production: Feed grains: Other	Production: Feed grains: Total	Production: Rice 2/	Production: Total grains	Area: Wheat	Area: Rye	Area: Feed grains: Barley	Area: Feed grains: Oats	Area: Feed grains: Other	Area: Feed grains: Total	Area: Rice 2/	Area: Total grains
1,000 tons								1,000 hectares							
603	339	431	465	167	1,063	---	2,005	133	107	100	119	48	267	---	507
530	313	387	424	145	956	---	1,799	126	106	101	112	42	255	---	487
712	356	376	420	125	921	---	1,989	151	106	87	103	34	224	---	481
691	250	373	363	89	825	---	1,766	158	98	99	101	29	229	---	485
597	190	416	357	61	834	---	1,621	148	74	120	99	21	240	---	462
20	4	343	107	2	452	---	476	10	2	164	53	1	218	---	230
18	3	463	113	3	579	---	600	7	1	179	44	1	224	---	232
20	2	480	126	2	608	---	630	7	1	182	52	1	235	---	243
12	2	485	113	2	600	---	614	4	1	189	46	1	236	---	241
4	1	405	92	2	499	---	504	2	1	188	41	1	230	---	233
645	171	72	104	591	767	174	1,757	728	309	135	288	498	921	37	1,995
592	216	61	98	523	682	166	1,656	740	319	126	296	488	910	36	2,005
472	167	46	68	597	711	181	1,531	685	312	110	242	486	838	38	1,873
672	203	61	86	404	551	136	1,562	701	320	120	280	482	882	35	1,938
306	168	51	68	543	662	159	1,295	620	300	105	265	553	923	35	1,878
4,812	453	2,162	513	933	3,608	349	9,222	4,252	486	1,449	549	455	2,453	63	7,254
4,859	424	2,071	466	1,191	3,728	399	9,410	4,239	438	1,447	527	504	2,478	63	7,218
3,976	350	1,927	390	1,261	3,578	398	8,302	4,175	423	1,434	509	540	2,483	64	7,145
4,715	340	1,891	356	1,175	3,422	377	8,854	4,254	393	1,374	502	485	2,361	58	7,066
4,813	357	2,180	418	1,175	3,773	395	9,338	4,088	389	1,296	451	504	2,251	58	6,786
872	175	969	1,087	481	2,537	---	3,584	314	75	370	516	199	1,085	---	1,474
637	82	1,229	1,179	464	2,872	---	3,591	245	45	483	518	190	1,191	---	1,481
1,064	116	1,387	1,448	381	3,216	---	4,396	270	43	470	510	177	1,157	---	1,470
1,038	171	1,437	1,340	410	3,187	---	4,396	277	60	465	445	145	1,055	---	1,392
586	85	1,321	1,077	271	2,669	---	3,340	187	38	570	461	118	1,149	---	1,374
397	60	125	49	39	213	---	670	103	15	35	14	10	59	---	177
286	53	95	35	32	162	---	501	101	17	32	12	10	54	---	172
370	67	105	38	39	182	---	619	102	17	30	11	10	51	---	170
345	58	95	28	28	151	---	554	105	18	31	10	9	50	---	173
350	60	100	28	34	162	---	572	106	17	32	10	9	51	---	174
3,974	17	5,865	1,775	156	7,796	---	11,787	913	7	1,613	615	51	2,279	---	3,199
3,046	22	6,705	1,461	120	8,286	---	11,354	780	8	1,907	524	40	2,471	---	3,259
3,793	25	7,523	1,346	103	8,972	---	12,790	893	8	2,036	455	32	2,523	---	3,424
4,171	21	8,191	1,232	91	9,514	---	13,706	1,026	7	2,183	410	30	2,623	---	3,656
3,551	11	8,944	1,134	94	10,172	---	13,734	909	4	2,471	374	29	2,874	---	3,787
44,332	5,863	25,392	12,192	10,622	48,206	1,392	99,793	19,061	2,923	9,106	5,910	4,446	19,462	268	41,714
37,266	5,702	28,086	12,295	13,266	53,647	1,329	97,944	17,769	2,772	10,088	5,651	4,589	20,328	263	41,132
43,144	6,175	29,001	11,672	11,857	52,530	1,438	103,287	18,734	2,753	9,997	5,308	4,401	19,706	277	41,470
45,365	5,239	30,242	11,508	11,858	53,608	1,193	105,405	18,862	2,707	10,359	5,122	4,231	19,712	271	41,552
39,980	4,756	32,177	11,416	12,804	56,397	1,452	102,585	17,633	2,435	11,231	5,079	4,277	20,587	280	40,935

Table 11.--Western Europe: Production of principal livestock products, 1962-66 1/

Country and year	Beef, veal	Mutton, lamb, goatmeat	Pork 2/	Total red meat	Poultry meat 3/	Cow's milk	Wool 4/	Eggs
	1,000 tons							Millions
Austria: 5/								
1962	143	1	218	368	16	3,005	.7	1,291
1963	144	1	220	371	18	3,049	.7	1,274
1964	138	1	248	391	23	3,128	.7	1,584
1965	130	1	259	393	28	3,215	.7	1,446
1966	145	1	247	395	30	3,300	.7	1,481
Belgium-Luxembourg:								
1962	219	2	239	473	82	4,193	.3	2,978
1963	239	2	189	443	83	3,978	.3	2,836
1964	215	3	228	458	87	3,830	.4	3,076
1965	214	4	258	488	99	3,942	.4	2,900
1966	220	4	266	502	108	3,981	.4	3,050
Denmark:								
1962	180	1	626	816	71	5,355	.1	1,938
1963	173	1	645	821	66	5,086	.1	1,780
1964	154	1	646	807	90	5,233	.1	1,701
1965	151	1	698	856	78	5,369	.1	1,531
1966	155	2	694	856	77	5,500	.1	1,599
Finland:								
1962	81	2	68	153	2	3,644	1.1	768
1963	88	2	67	161	2	3,758	1.1	850
1964	98	2	67	171	2	3,826	1.1	864
1965	95	2	69	171	2	3,766	1.1	889
1966	98	2	70	175	2	3,800	1.1	918
France:								
1962	1,652	131	1,271	3,153	374	24,300	31.8	9,230
1963	1,639	119	1,222	3,084	407	25,330	28.0	9,356
1964	1,566	127	1,239	3,044	448	25,227	24.0	9,478
1965	1,580	132	1,275	3,089	468	26,257	25.4	9,600
1966	1,590	136	1,270	3,094	472	27,833	27.2	9,520
West Germany:								
1962	1,140	13	1,766	2,934	113	20,295	5.0	8,894
1963	1,177	14	1,758	2,962	122	20,702	4.8	9,997
1964	1,131	14	1,854	3,012	142	20,841	3.4	11,194
1965	1,083	12	1,873	2,979	152	21,178	3.1	11,930
1966	1,220	12	1,819	3,060	160	21,546	2.7	12,000
Greece:								
1962	35	74	28	136	22	514	12.0	1,305
1963	51	92	42	185	22	503	11.1	1,384
1964	56	92	36	184	30	557	12.1	1,532
1965	61	92	40	193	34	589	11.8	1,607
1966	62	91	42	195	37	601	12.0	1,655
Ireland:								
1962	111	37	113	261	17	2,866	12.1	805
1963	128	48	115	292	19	2,911	11.8	810
1964	111	47	122	280	20	2,996	11.9	812
1965	112	45	139	298	22	3,134	11.9	808
1966	122	51	127	302	23	3,175	11.7	810
Italy:								
1962	704	48	460	1,260	177	9,634	13.4	6,802
1963	646	38	373	1,104	206	8,929	13.3	7,480
1964	573	40	447	1,103	212	8,967	13.3	8,287
1965	567	37	477	1,124	303	9,236	13.2	9,100
1966	600	34	525	1,199	292	9,421	13.2	9,800

Table 11.--Western Europe: Production of principal livestock products, 1962-66 1/--Continued

Country and year	Beef, veal	Mutton, lamb, goatmeat	Pork 2/	Total red meat	Poultry meat 3/	Cow's milk	Wool 4/	Eggs
	1,000 tons							Millions
Netherlands:								
1962	279	7	418	717	98	7,311	1.0	6,061
1963	324	8	420	761	105	7,011	1.0	5,340
1964	265	6	456	736	135	6,956	.9	5,095
1965	264	11	525	808	158	7,142	.9	4,213
1966	259	6	535	808	173	7,285	.9	4,130
Norway:								
1962	59	14	58	134	2	1,651	3.6	548
1963	57	15	53	128	2	1,673	3.6	543
1964	57	15	55	130	2	1,670	3.6	550
1965	56	16	59	134	3	1,625	3.6	556
1966	56	17	59	135	3	1,660	3.6	549
Portugal:								
1962	52	21	90	165	8	318	11.5	572
1963	49	21	91	164	8	324	11.6	583
1964	45	20	92	160	8	320	11.8	594
1965	57	19	76	154	8	323	11.8	600
1966	50	18	90	160	9	330	11.8	607
Spain:								
1962	163	126	258	567	110	2,980	29.9	5,144
1963	173	126	311	630	128	3,212	36.9	6,948
1964	225	128	317	687	142	3,228	36.6	6,372
1965	177	134	266	592	147	3,380	36.2	6,312
1966	185	134	286	620	155	3,402	38.3	6,420
Sweden:								
1962	156	1	222	387	19	4,035	.5	1,480
1963	166	2	210	386	19	3,810	.6	1,536
1964	157	2	211	379	20	3,640	.6	1,584
1965	150	2	215	376	20	3,644	.6	1,552
1966	170	2	225	397	22	3,570	.6	1,568
Switzerland:								
1962	120	3	130	258	6	3,113	.5	505
1963	115	3	135	258	8	3,091	.5	544
1964	103	3	146	254	11	3,014	.5	551
1965	105	3	161	275	13	3,095	.5	530
1966	116	3	159	281	14	3,155	.5	530
United Kingdom:								
1962	918	254	787	1,959	349	13,495	58.8	13,562
1963	944	245	806	1,995	358	13,160	59.2	14,340
1964	876	256	844	1,976	375	10,925	57.5	15,432
1965	832	245	943	2,020	437	11,388	57.7	14,350
1966	880	260	868	2,008	442	11,292	58.1	14,300
Total:								
1962	6,012	735	6,752	13,741	1,466	106,709	182.3	61,883
1963	6,113	737	6,657	13,745	1,573	106,527	184.6	65,601
1964	5,770	757	7,008	13,772	1,747	104,358	178.5	68,706
1965	5,634	756	7,333	13,950	1,972	107,283	179.0	67,924
1966	5,928	773	7,282	14,187	2,019	109,851	182.9	68,937

1/ Preliminary. 2/ Excludes commercial lard. 3/ On ready-to-cook basis (70 percent of liveweight). 4/ Greasy basis. 5/ Includes variety meat.

Table 12.--Western Europe: Agricultural exports by country,

Commodity and year		SITC number: Major headings	SITC number: Sub headings 1/	European Economic Community: Belgium-Luxembourg	Netherlands	West Germany	France	Italy	Total	Greece
				Million dollars						
Live animals	1963	00		21.6	27.1	26.5	39.4	1.3	115.9	0.5
	1964			15.5	39.5	34.1	47.1	2.2	138.4	.3
	1965			20.0	41.1	31.3	50.4	.5	143.3	.6
Meat and meat preparations	1963	01		33.2	263.3	19.3	99.7	16.7	432.2	.2
	1964			28.5	320.5	21.2	100.2	18.5	488.9	2/
	1965			49.6	380.1	21.7	104.1	21.8	577.3	.1
Dairy products and eggs	1963	02		38.6	330.6	17.5	127.2	32.3	546.2	.4
	1964			37.0	311.8	24.2	143.1	35.6	551.7	1.0
	1965			73.8	334.5	56.1	176.3	39.8	680.5	1.2
Fish and fish preparations	1963	03		8.0	48.7	23.2	15.4	2.5	97.8	.7
	1964			8.4	54.2	25.8	16.0	2.5	106.9	1.3
	1965			10.3	62.6	30.6	17.7	3.1	124.3	1.6
Cereals and cereal preparations	1963	04		57.2	63.6	64.8	356.7	57.2	599.5	.1
	1964			62.7	71.5	94.2	486.8	50.5	765.7	.1
	1965			64.3	87.6	120.0	534.6	112.0	918.5	.6
(Wheat and flour)	1963		041,	13.1	1.8	37.6	190.6	14.6	257.7	---
	1964		046	19.3	9.2	49.2	225.3	9.5	312.5	---
	1965			13.7	21.1	37.0	312.2	22.0	406.0	---
(Feed grains)	1963		043,	10.2	31.1	11.4	135.6	10.0	198.3	---
	1964		044,	5.1	27.6	13.2	227.5	19.2	292.6	---
	1965		045	12.3	28.0	37.6	184.5	59.6	322.0	---
Fruits and vegetables	1963	05		76.0	272.5	28.9	120.7	471.3	969.5	66.9
	1964			74.0	281.1	27.4	117.7	487.2	987.4	74.0
	1965			87.3	330.0	31.5	186.7	550.4	1,185.9	88.9
Sugar, sugar preparations, and honey	1963	06		17.5	19.3	6.6	153.5	7.6	204.5	.4
	1964			21.7	19.3	8.7	146.0	3.8	199.5	.4
	1965			26.8	29.0	8.1	130.0	3.8	197.7	.7
Coffee, tea, cocoa, spices, etc.	1963	07		13.6	88.0	11.6	12.4	13.1	138.7	.1
	1964			16.1	98.4	15.8	12.5	13.2	156.0	.2
	1965			17.9	107.0	19.4	13.7	13.8	171.8	.2
Animal feed	1963	08		11.3	45.7	33.4	34.3	8.2	132.9	.2
	1964			15.0	60.1	34.5	49.6	10.0	169.2	.1
	1965			20.3	56.8	41.5	53.8	11.0	183.4	2/
(Oilseed cake and meal)	1963		081.3	4.3	21.1	21.2	6.6	5.5	58.7	.2
	1964			4.9	27.7	21.8	9.1	6.3	69.8	---
	1965			6.2	27.1	25.0	7.1	7.5	72.9	2/
(Meatmeal and fishmeal)	1963		081.4	1.5	1.2	.7	2.3	2/	5.7	---
	1964			1.6	1.5	.9	2.4	---	6.4	---
	1965			2.1	2.2	1.1	3.8	2/	9.2	---
Miscellaneous food preparations	1963	09		12.7	51.0	8.5	17.4	3.7	93.3	2/
	1964			15.8	61.5	9.4	20.8	5.0	112.5	2/
	1965			17.1	60.3	10.2	25.4	9.6	122.6	2/

See footnotes at end of table.

European Economic Community, and total Western Europe, 1963-65

United Kingdom	Norway	Sweden	Denmark	Austria	Switzerland	Portugal	Ireland	Spain	Finland	Total Western Europe
Million dollars										
58.9	---	2.8	79.7	40.1	5.9	0.7	134.5	5.9	0.2	444.9
90.6	---	4.9	79.4	27.5	4.9	.4	172.5	7.5	.4	526.4
103.4	.1	1.6	89.4	36.4	3.7	.4	143.0	4.8	.7	527.4
21.2	7.3	25.5	466.4	4.8	1.4	.7	94.7	1.0	1.3	1,056.7
30.4	9.0	26.8	506.8	3.5	1.4	.7	96.1	1.8	1.5	1,166.9
28.0	7.6	30.9	525.4	6.5	1.9	.7	108.0	1.5	2.7	1,290.6
24.6	11.3	20.5	214.1	18.1	46.4	3.0	31.9	.1	33.0	949.6
24.5	13.7	16.4	220.1	20.2	48.5	3.0	36.0	.3	48.2	983.6
29.6	10.6	11.8	224.7	26.6	53.9	3.9	37.8	.1	47.7	1,128.4
21.5	117.7	9.3	74.1	.3	.7	44.5	4.8	26.1	---	397.5
22.9	118.8	8.0	85.4	.3	.6	46.5	5.4	35.2	.1	431.4
28.4	139.4	9.5	98.5	.3	.5	53.9	5.5	39.9	---	501.8
63.6	1.3	28.4	30.3	1.2	5.5	.7	10.4	6.0	4.6	751.6
53.1	1.3	30.5	23.4	2.0	6.1	.8	3.6	9.7	1.4	897.7
61.4	1.1	44.3	42.2	1.7	6.6	1.0	3.3	16.4	.3	1,097.4
10.4	2/	12.4	5.6	---	.1	---	3.1	---	3.7	293.0
1.6	2/	12.6	5.4	---	.1	2/	.2	---	1.2	333.6
1.3	2/	19.2	5.2	2/	2/	2/	.2	4.2	---	436.1
11.5	2/	9.4	13.2	.3	2/	2/	4.3	.1	.5	237.6
6.0	2/	9.8	10.8	.4	---	2/	.1	.1	---	319.8
13.3	2/	14.9	23.0	.3	.1	2/	2/	.1	---	373.7
25.3	.4	9.3	18.3	2.5	8.1	18.4	7.9	242.8	.1	1,369.4
28.8	.4	6.8	16.9	4.8	7.0	21.0	7.8	335.5	1.3	1,491.7
31.7	.9	7.3	13.4	4.9	6.6	31.3	7.6	315.5	.8	1,694.8
108.4	.4	1.8	16.6	.8	1.6	.1	8.4	3.5	.3	346.8
121.9	.4	1.2	26.6	1.0	1.8	.1	6.1	5.0	.4	364.4
66.6	.4	1.3	12.0	1.3	2.1	.1	4.0	2.8	.8	289.8
33.8	.5	2.7	1.6	.9	22.2	.3	15.9	7.4	.1	224.2
33.9	.5	3.1	1.8	1.0	23.0	.8	19.4	6.3	.2	246.2
36.8	.7	3.0	2.5	1.2	28.8	.7	18.6	6.9	.9	272.1
11.1	15.3	.8	24.2	1.9	.2	3.0	4.2	1.2	---	195.0
10.9	27.4	.3	29.9	2.5	.4	2.8	4.0	.8	---	248.3
16.6	48.1	.3	37.2	1.6	1.4	2.7	4.6	1.4	---	297.3
n.a.	.5	.2	11.2	.1	.1	1.8	.3	2/	---	73.1
n.a.	.2	---	14.2	---	---	.9	.3	---	---	85.4
n.a.	.5	2/	15.1	2/	.4	.4	.3	.1	---	89.6
n.a.	14.4	.1	8.4	2/	2/	.6	.4	---	---	29.6
n.a.	26.8	---	9.7	---	---	.8	.4	---	---	44.1
n.a.	47.3	.1	13.2	.2	2/	.9	.6	2/	---	71.5
25.5	3.5	2.3	6.3	1.0	12.4	.9	2.1	.1	---	147.4
28.8	3.8	2.9	7.5	.7	11.3	1.2	3.3	.1	---	172.1
30.8	4.5	2.9	8.4	.9	11.5	1.3	4.0	.5	---	187.4

--Continued

Table 12.--Western Europe: Agricultural exports by country, European

Commodity and year		SITC number: Major headings	SITC number: Sub headings 1/	European Economic Community: Belgium-Luxembourg	Netherlands	West Germany	France	Italy	Total	Greece
				Million dollars						
Beverages	1963	11		11.6	27.9	35.1	267.9	62.5	405.0	4.1
	1964			14.2	30.5	37.8	286.5	67.0	436.0	4.4
	1965			16.8	34.3	42.4	296.9	74.1	464.5	6.3
(Nonalcoholic)	1963		111	.9	2.9	.8	9.1	.8	14.5	2/
	1964			1.4	2.9	1.1	9.5	1.1	16.0	2/
	1965			1.6	4.2	1.2	10.5	1.9	19.4	2/
(Wine)	1963		112.1	3.4	.4	13.0	152.6	58.1	227.5	3.5
	1964			3.8	.3	13.6	166.4	61.9	246.0	3.7
	1965			4.7	.4	14.8	169.6	67.6	257.1	5.5
Tobacco, unmanufactured	1963	121		2.5	4.4	1.6	4.9	15.2	28.6	118.1
	1964			2.6	6.5	2.0	2.6	9.9	23.6	119.3
	1965			2.4	8.5	3.4	2.5	9.0	25.8	112.9
Hides and skins	1963	21		11.1	21.7	27.1	37.5	13.7	111.1	11.0
	1964			12.0	24.7	27.6	38.2	16.4	118.9	12.2
	1965			14.3	29.8	31.5	41.9	13.3	130.8	12.0
Oil-seeds, oil nuts and oil kernels	1963	22		4.3	7.5	1.1	13.0	.8	26.7	.3
	1964			4.4	7.8	1.2	21.0	.8	35.2	.2
	1965			5.2	10.4	2.1	18.2	.7	36.6	.2
Natural rubber	1963	231.1		1.1	.3	.3	.4	.1	2.2	---
	1964			1.0	.2	.6	.2	---	2.0	---
	1965			.6	.3	.5	.5	.1	2.0	---
Natural fibers	1963	261-		155.6	43.3	42.4	161.1	19.1	421.5	32.9
	1964	265		147.3	43.5	44.8	166.4	19.3	421.3	33.1
	1965			148.8	42.4	46.2	152.6	19.3	409.3	22.0
Crude animal and vegetable materials, n.e.s.	1963	29		25.4	154.5	34.9	34.7	40.5	290.0	3.7
	1964			27.1	181.7	40.7	39.1	49.4	338.0	5.0
	1965			31.9	198.3	42.4	42.4	53.2	368.2	5.2
Animal and vegetable oils and fats	1963	4		12.2	46.4	39.1	24.2	10.7	132.6	3.5
	1964			13.4	45.8	45.0	26.4	14.8	145.4	.5
	1965			16.1	56.1	60.2	29.0	13.9	175.3	3.9
Agricultural oils and fats 3/	1963			12.2	60.2	23.0	29.7	10.0	135.1	3.5
	1964			14.0	66.1	26.7	33.8	14.0	154.6	.5
	1965			20.6	66.4	38.2	39.1	17.0	181.3	3.9
Total agricultural 4/	1963			494.3	1,427.2	359.2	1,393.5	769.6	4,443.8	241.8
	1964			494.7	1,561.1	424.8	1,588.1	798.3	4,867.0	250.1
	1965			597.7	1,754.5	516.1	1,735.3	939.9	5,543.5	254.0
Total exports	1963			4,852.8	4,961.8	14,615.6	8,079.6	5,074.7	37,584.5	290.1
	1964			5,617.9	5,808.1	16,215.0	8,990.3	5,962.4	42,593.7	308.6
	1965			6,381.7	6,393.3	17,892.4	10,048.2	7,188.0	47,906.8	327.8

1/ Since these are components of major headings, their values are not duplicated in totals. 2/ Less than $50,000. 3/ Agricultural fats and oils include lard, margarine and shortening and all other oils and fats except marine and processed. 4/ Total agricultural is the sum of all major headings except 03 (Fish) and 11 (Beverages) plus the sum of 111 (Nonalcoholic beverages) and 112.1 (Wine), and minus the sum of 081.4 (Meatmeal and fishmeal), Marine oil, and Processed oils and fats.

United Kingdom	Norway	Sweden	Denmark	Austria	Switzerland	Portugal	Ireland	Spain	Finland	Total Western Europe
					Million dollars					
271.9	0.8	0.5	21.0	1.2	1.7	32.1	20.8	38.9	0.1	798.1
299.3	1.1	.5	24.3	1.6	1.9	38.9	21.3	44.3	.2	873.8
344.9	1.0	1.1	25.8	2.7	1.8	44.1	21.4	47.4	.2	961.2
5.6	2/	.1	.5	.1	.1	.2	.1	.1	---	21.3
7.2	2/	.1	.6	.1	.2	.3	.1	.1	---	24.7
7.7	2/	.2	1.0	.2	.2	.3	2/	.1	---	29.1
1.0	---	2/	.5	.4	.5	30.7	n.a.	36.5	---	300.6
1.1	---	---	.6	.8	.6	37.3	n.a.	40.9	---	331.0
1.3	---	2/	.7	1.5	.6	42.3	n.a.	44.4	---	353.4
2/	2/	2/	.6	.1	2/	---	---	.1	---	147.5
2/	2/	2/	.3	2/	2/	2/	2/	---	---	143.2
2/	2/	.2	.2	.1	2/	---	2/	.1	---	139.3
12.0	25.6	32.1	30.7	2.6	7.8	.4	3.6	5.9	14.6	257.4
14.5	27.2	32.7	44.6	2.7	7.7	.4	4.2	8.9	18.6	292.6
15.1	32.4	36.1	51.4	3.1	8.0	.5	4.7	6.2	25.2	325.5
.2	---	3.8	5.9	.3	2/	2/	---	.5	---	37.7
.5	---	5.9	6.6	.9	---	2/	---	.4	---	49.7
.8	---	8.6	5.8	1.0	2/	2/	---	.2	---	53.2
---	---	1.2	2/	---	---	2/	n.a.	---	---	3.4
---	---	1.4	---	---	---	---	n.a.	---	---	3.4
n.a.	2/	2.4	2/	2/	2/	2/	n.a.	---	---	4.4
218.3	1.8	3.6	2.5	2.1	8.2	2.5	17.8	13.1	---	724.2
203.9	1.8	2.6	2.7	2.2	7.2	1.1	13.6	8.0	---	697.5
167.2	2.4	2.2	2.3	2.3	6.6	.5	16.7	5.0	---	636.5
9.4	3.3	4.3	49.9	2.4	4.5	3.0	2.1	10.4	1.5	384.5
10.9	4.1	4.3	53.9	2.4	4.6	3.5	2.1	11.4	1.6	441.8
12.7	4.3	4.3	59.9	2.6	5.2	4.5	2.6	12.5	1.6	483.6
22.4	28.9	11.2	21.5	.6	2.3	6.4	1.8	49.1	2.0	282.3
16.2	35.4	11.2	22.1	.6	2.4	7.3	2.4	57.3	2.9	303.7
18.7	45.0	13.1	30.3	.7	3.1	6.9	2.1	18.2	2.9	320.2
19.4	3.5	7.4	19.2	.8	2.4	4.9	2.0	48.7	1.4	248.1
13.7	3.8	6.3	19.9	.5	1.8	6.0	2.6	57.0	1.9	268.6
12.9	4.4	8.5	21.5	.6	2.2	5.1	2.4	17.9	1.8	262.5
633.5	57.1	145.8	954.2	79.9	126.2	68.5	334.6	383.2	57.1	7,525.7
668.6	63.7	145.5	1,026.5	72.8	125.8	78.1	370.5	493.7	75.5	8,237.8
617.2	66.8	165.2	1,079.2	92.3	138.6	93.8	356.1	436.3	82.5	8,925.5
11,423.9	1,073.6	3,199.5	1,864.1	1,325.9	2,401.7	418.1	535.6	735.6	1,149.4	62,002.0
11,911.5	1,290.8	3,669.0	2,075.3	1,446.2	2,632.0	515.7	607.1	954.4	1,291.3	69,295.6
13,226.7	1,442.6	3,973.1	2,273.2	1,600.0	2,939.3	576.4	610.5	966.5	1,426.8	77,269.7

Note: Trade data for the United Kingdom do not include re-exports.

n.a. = Not available. n.e.s. = Not elsewhere specified.

Compiled from OECD Statistical Bulletin, Foreign Trade, Series B and C, 1963, 1964, and 1965 and other official sources. SITC is the Standard International Trade Classification, Revised.

Table 13.--Western Europe: Agricultural imports by country,

Commodity and year		SITC number: Major headings	SITC number: Sub headings 1/	European Economic Community: Belgium-Luxembourg	Netherlands	West Germany	France	Italy	Total	Greece
				Million dollars						
Live animals	1963	00		4.9	8.0	88.2	49.1	176.9	327.1	6.4
	1964			27.2	33.1	97.2	72.1	154.8	384.4	5.2
	1965			26.1	26.5	166.0	60.4	169.1	448.1	9.9
Meat and meat preparations	1963	01		34.4	24.5	246.0	128.8	230.8	664.5	26.8
	1964			49.5	53.3	288.7	223.7	280.0	895.2	32.9
	1965			59.8	50.1	372.7	214.5	305.3	1,002.4	57.5
Dairy products and eggs	1963	02		35.0	15.0	240.5	36.2	129.3	456.0	12.7
	1964			51.1	35.4	213.5	45.6	100.2	445.8	17.4
	1965			58.6	39.1	223.5	64.3	145.7	531.2	22.9
Fish and fish preparations	1963	03		35.2	18.1	68.0	98.8	88.2	308.3	10.4
	1964			39.8	21.5	79.3	102.3	85.3	328.2	11.2
	1965			45.5	25.6	100.6	109.5	99.8	381.0	14.4
Cereals and cereal preparations	1963	04		158.1	267.2	388.9	118.2	311.9	1,244.3	17.5
	1964			160.6	249.1	454.1	116.6	325.6	1,306.0	20.2
	1965			192.3	266.9	525.5	136.1	497.5	1,618.3	24.8
(Wheat and flour)	1963		041,	40.4	53.8	133.6	59.5	24.3	311.6	3.7
	1964		046	41.4	47.1	126.4	53.1	47.2	315.2	4.9
	1965			41.0	60.7	122.2	54.4	81.9	360.2	9.7
(Rice)	1963		042	4.5	7.9	19.3	8.7	.2	40.6	.8
	1964			5.8	10.2	21.3	9.6	.5	47.4	.7
	1965			3.6	6.3	21.9	12.8	.1	44.7	.9
(Feed grains)	1963		043,	101.4	194.5	199.7	35.0	277.4	808.0	10.9
	1964		044,	100.3	179.1	266.2	38.2	268.3	852.1	12.5
	1965		045	133.0	185.7	336.9	51.9	405.3	1,112.8	11.6
Fruit and vegetables	1963	05		110.9	113.0	868.9	492.7	79.9	1,665.4	5.9
	1964			114.2	119.5	946.7	477.2	67.4	1,725.0	4.6
	1965			136.6	159.8	1,194.2	515.5	130.2	2,136.3	4.9
Sugar, sugar preparations, and honey	1963	06		18.8	41.3	89.7	77.0	92.2	319.0	12.3
	1964			18.6	56.0	42.4	90.8	108.3	316.1	16.3
	1965			11.5	25.4	53.5	78.9	36.5	205.8	5.2
Coffee, tea, cocoa, spices, etc.	1963	07		68.1	129.7	325.2	201.8	99.9	824.7	9.3
	1964			89.0	156.5	379.2	248.1	115.0	987.8	11.8
	1965			93.4	145.1	426.3	216.3	125.1	1,006.2	12.7
Animal feed	1963	08		53.9	111.0	179.9	91.9	54.5	461.2	3.7
	1964			59.1	115.6	207.5	96.9	62.6	541.7	4.7
	1965			72.4	129.6	266.0	117.0	58.4	643.4	6.3
(Oilseed cake and meal)	1963		081.3	22.0	47.7	113.7	71.5	15.1	270.0	.8
	1964			26.1	47.0	126.6	73.9	7.3	280.9	1.3
	1965			30.3	48.2	163.8	89.5	13.6	345.4	1.6
(Meatmeal and fishmeal)	1963		081.4	7.0	22.7	39.7	10.3	12.9	92.6	1.4
	1964			9.6	24.1	54.2	14.8	15.7	118.4	1.7
	1965			12.2	27.7	66.3	16.7	17.4	140.3	2.6

See footnotes at end of table.

European Economic Community, and total Western Europe, 1963-65

United Kingdom	Norway	Sweden	Denmark	Austria	Switzer- land	Portugal	Ireland	Spain	Finland	Total Western Europe
					Million dollars					
141.3	0.1	1.2	0.7	8.8	6.0	0.3	32.2	3.2	---	527.3
163.9	.1	1.4	.9	5.4	10.6	.7	35.8	3.1	---	611.5
133.5	.2	2.4	1.2	5.7	11.6	.6	31.3	9.2	.1	653.8
876.8	3.9	16.0	1.0	10.4	60.1	5.3	.6	51.5	1.2	1,718.1
1,033.0	5.0	25.8	1.2	17.2	81.4	9.1	.7	18.1	1.2	2,120.8
1,029.9	4.5	30.5	1.3	20.4	72.4	9.4	.8	75.7	2.1	2,306.9
523.2	1.2	6.7	4.5	13.4	31.2	.3	.3	15.0	---	1,064.5
600.5	.8	7.2	7.9	11.1	39.7	.8	.3	13.0	---	1,144.5
583.1	.9	8.5	3.3	12.7	42.0	1.4	.3	29.6	.1	1,236.0
140.2	4.1	31.0	18.3	10.2	17.9	7.5	2.5	9.7	6.1	566.2
187.8	4.6	36.3	23.9	11.5	19.3	10.2	2.8	9.6	6.1	651.5
189.3	6.8	45.2	29.9	13.5	21.2	11.6	3.4	16.1	7.2	739.6
605.5	40.0	37.4	40.8	42.7	80.7	23.7	26.3	100.4	41.4	2,300.7
613.7	41.3	35.8	62.0	54.3	82.2	28.0	28.3	132.5	16.4	2,420.7
649.2	44.4	26.9	60.8	71.6	88.5	34.5	51.5	157.7	19.7	2,847.9
322.2	21.0	14.7	1.7	4.1	28.0	13.5	17.1	13.5	28.6	779.7
318.8	25.0	11.6	2.3	3.9	29.1	20.5	12.4	5.7	5.2	754.6
346.1	23.6	5.1	2.2	6.8	10.2	19.7	22.9	9.8	6.4	822.7
16.3	1.0	1.7	1.1	5.3	5.0	3.5	.4	---	1.6	77.3
15.6	1.0	2.1	1.0	5.4	4.2	.8	.4	---	2.1	80.7
16.2	1.0	2.2	1.1	5.7	4.6	3.2	.4	---	2.1	82.1
254.5	15.7	12.1	33.6	31.4	35.4	6.1	6.7	84.9	10.8	1,310.1
259.7	11.9	9.6	51.2	42.7	36.8	6.0	13.2	123.7	8.6	1,428.0
270.2	16.0	7.2	42.4	56.1	40.9	10.7	24.7	145.1	10.4	1,748.1
791.3	46.9	124.8	40.6	62.5	126.0	6.8	25.1	21.6	37.2	2,954.1
794.3	47.4	126.5	42.7	64.5	130.0	4.2	28.3	16.4	36.0	3,019.9
809.9	54.7	137.2	46.6	83.6	150.9	6.8	29.2	44.7	38.6	3,543.4
485.6	38.0	21.5	9.1	9.2	31.7	16.9	7.2	51.1	22.7	1,024.3
403.7	27.8	24.1	6.8	3.0	44.1	22.9	9.9	61.3	38.7	974.7
287.9	24.2	10.9	5.2	3.8	26.2	18.7	5.4	22.9	11.5	627.7
479.5	31.8	81.8	46.6	25.0	48.2	8.0	24.4	25.1	36.4	1,640.8
472.8	38.2	104.1	54.9	29.9	58.8	8.9	19.7	36.9	51.5	1,875.3
436.2	36.7	112.1	57.9	32.5	61.2	9.3	22.2	45.4	48.8	1,881.2
174.9	15.0	37.9	73.9	11.5	22.3	2.0	13.9	34.9	12.3	893.5
189.2	14.4	44.1	89.4	12.6	21.8	2.6	14.1	26.3	6.4	967.3
212.3	14.9	50.6	88.3	17.1	24.8	3.6	20.1	31.7	10.5	1,123.6
107.9	14.0	24.8	67.6	5.7	6.8	.3	6.4	19.5	8.3	532.1
97.5	13.0	30.8	80.5	6.3	6.9	.6	6.0	16.9	2.8	543.5
117.2	13.5	37.0	80.1	8.9	7.5	1.1	9.0	10.4	3.7	635.4
41.6	2/	4.1	3.4	4.7	4.2	.4	1.3	13.3	1.5	168.5
56.2	.2	5.9	4.5	5.7	5.7	.7	1.6	6.8	3.2	210.6
64.6	.4	7.8	5.3	6.9	7.8	.8	2.4	18.2	4.0	261.1

--Continued

Table 13.--Western Europe: Agricultural imports by country, European

Commodity and year		SITC number: Major headings	SITC number: Sub headings 1/	European Economic Community: Belgium-Luxembourg	Netherlands	West Germany	France	Italy	Total	Greece
				Million dollars						
Miscellaneous food preparations	1963	09		14.4	14.0	12.7	3.0	6.9	51.0	0.6
	1964			17.1	16.0	14.7	4.5	5.5	57.8	.6
	1965			21.7	11.6	14.2	4.1	3.4	55.0	.9
(Lard)	1963		091.3	2.6	9.1	4.5	.1	.3	16.6	---
	1964			3.6	10.0	4.0	---	---	17.6	---
	1965			6.4	3.6	3.3	2/	.1	13.4	---
(Margarine and shortening)	1963		091.4	.6	.8	.5	.4	.1	2.4	.2
	1964			.8	.9	---	.8	.1	2.6	---
	1965			.9	1.1	.8	.5	.2	3.5	.1
Beverages	1963	11		44.4	19.7	97.4	202.2	15.0	378.7	.6
	1964			49.2	23.5	100.0	254.2	13.1	440.0	.6
	1965			58.3	27.2	116.6	205.5	14.4	422.0	.8
(Nonalcoholic)	1963		111	2.7	.9	1.2	.2	.1	5.1	2/
	1964			3.1	1.1	1.5	.5	.2	6.4	2/
	1965			3.2	1.0	2.7	1.0	.2	8.1	2/
(Wine)	1963		112.1	23.8	12.3	75.2	172.3	5.7	289.3	.1
	1964			26.5	15.0	77.7	222.8	4.6	346.6	---
	1965			31.8	17.6	84.7	171.2	5.2	310.5	.1
Tobacco, unmanufactured	1963	121		28.8	46.2	165.2	37.2	36.1	313.4	2/
	1964			34.0	55.7	178.1	36.5	26.8	331.1	2/
	1965			38.8	56.3	189.4	35.2	13.2	332.9	.1
Hides and skins	1963	21		24.5	24.4	147.6	126.7	96.7	419.9	5.4
	1964			26.8	27.9	157.0	129.8	99.2	440.7	5.1
	1965			28.2	30.9	189.4	110.1	108.5	467.1	6.1
Oil-seeds, oil nuts and oil kernels	1963	22		34.4	96.5	205.2	167.6	98.4	602.1	3.5
	1964			46.0	114.3	256.0	162.9	89.1	668.3	2.8
	1965			46.3	117.1	270.3	157.3	113.9	704.9	4.6
(Soybeans)	1963		221.4	10.3	32.3	115.5	15.4	34.6	208.1	---
	1964			15.1	48.0	150.7	21.5	35.0	270.3	---
	1965			15.5	44.5	147.5	12.9	51.9	272.3	2/
Natural rubber	1963	231.1		9.2	11.5	85.0	71.8	50.3	227.8	2.2
	1964			9.3	11.4	86.4	66.8	47.0	220.9	1.7
	1965			8.8	11.1	84.4	62.9	43.0	210.2	1.6
Natural fibers	1963	261-		279.5	128.5	445.5	496.1	462.9	1,812.5	23.9
	1964	265		329.8	135.4	467.6	476.7	466.3	1,875.8	23.2
	1965			282.7	114.3	433.9	414.4	373.4	1,618.7	30.3
(Raw cotton)	1963		263.1	49.7	49.6	181.1	177.6	146.4	604.4	1.4
	1964			54.9	53.8	194.7	175.3	153.3	638.0	3.0
	1965			46.1	49.6	177.2	149.3	121.9	544.1	6.6
Crude animal and vegetable materials, n.e.s.	1963	29		21.1	29.6	189.7	78.1	39.4	357.9	2.0
	1964			22.8	32.3	219.8	85.7	42.0	402.6	1.8
	1965			25.6	36.5	245.1	88.9	44.0	440.1	2.0

See footnotes at end of table.

United Kingdom	Norway	Sweden	Denmark	Austria	Switzer-land	Portugal	Ireland	Spain	Finland	Total Western Europe
					Million dollars					
56.9	1.4	7.0	3.0	1.3	2.3	1.2	2.6	1.6	2.7	131.6
89.9	1.6	8.1	3.3	1.2	2.8	1.7	3.4	1.7	3.1	175.2
74.3	2.2	9.6	3.9	1.6	2.8	1.3	5.2	2.3	2.6	161.7
46.4	2/	2/	---	2/	.3	.1	.1	.2	n.a.	63.7
65.5	---	---	---	---	.5	.7	---	.1	n.a.	84.4
58.1	2/	.1	2/	2/	.3	.7	.3	.2	n.a.	73.1
1.7	.1	1.3	2/	.3	.1	2/	.1	.8	n.a.	7.0
12.4	---	1.6	---	.4	.1	---	.1	.8	n.a.	18.0
.9	2/	1.8	2/	.6	.1	2/	.4	1.0	n.a.	8.4
143.7	5.6	22.6	12.2	10.1	43.1	.4	8.7	3.5	5.5	634.7
161.7	6.0	25.9	16.2	7.2	44.4	.6	9.1	5.1	6.8	723.6
147.5	6.3	32.0	19.4	7.7	47.6	.7	9.8	6.9	7.8	708.5
.4	2/	.1	.1	.1	1.7	2/	2/	2/	2/	7.5
.4	2/	.2	.1	.1	2.0	2/	2/	2/	2/	9.2
.2	2/	.2	.2	.1	2.5	.1	2/	2/	---	11.4
78.7	2.3	10.6	6.1	8.1	34.3	.1	2.6	.2	2.2	434.6
88.1	2.4	12.1	7.8	5.2	34.5	.1	3.1	.3	2.4	502.6
82.9	2.9	11.4	8.5	5.1	37.0	.1	3.5	.4	2.5	464.9
273.1	9.0	15.1	27.5	12.6	28.6	6.6	12.0	20.3	10.5	728.7
247.4	8.0	25.9	29.3	11.8	30.7	6.5	12.3	24.5	8.3	735.8
228.6	6.5	9.1	34.3	14.0	36.0	6.4	10.2	28.4	9.0	715.5
164.8	5.5	21.4	6.2	8.8	5.0	3.8	2.0	21.1	5.5	669.4
160.4	5.6	20.2	18.9	11.0	5.5	5.8	2.1	21.9	7.2	704.4
156.3	5.1	19.4	20.2	10.4	6.6	4.5	2.0	24.0	6.8	728.5
146.7	14.7	12.3	51.3	3.2	17.3	18.3	2.3	9.0	10.0	890.7
133.5	21.6	12.2	52.1	2.2	22.2	16.5	2.0	18.2	10.7	962.3
137.8	22.5	17.2	59.4	2.8	22.9	26.6	2.1	52.2	9.6	1,062.6
29.5	7.9	2/	38.8	2/	---	2/	---	1.8	5.8	291.9
32.7	13.3	---	39.3	---	.1	---	---	6.4	6.5	368.6
33.8	14.8	.6	45.3	2/	2/	---	.1	39.6	5.0	411.5
116.2	3.0	13.9	3.2	6.2	4.8	3.2	1.9	19.5	4.4	406.3
107.0	2.5	13.6	3.3	6.1	3.8	2.7	2.0	19.0	3.4	386.0
103.3	2.6	14.7	3.4	6.6	3.8	3.4	1.9	20.1	4.0	375.6
716.9	14.1	37.1	26.3	54.4	79.1	71.2	21.3	33.5	23.7	2,914.0
732.5	14.6	39.2	26.7	56.8	82.6	79.1	25.2	45.6	22.6	3,023.9
606.3	10.9	34.4	20.7	48.5	69.8	85.0	20.0	48.2	21.0	2,613.8
147.1	2.7	12.6	6.7	16.2	29.4	46.2	3.6	3.5	11.0	884.8
160.8	2.6	11.8	5.8	19.2	34.7	49.6	4.4	11.9	8.2	944.0
134.5	2.8	10.2	5.0	17.2	29.3	58.7	3.8	21.1	10.1	843.4
129.2	8.1	34.1	17.4	15.2	28.5	3.9	3.9	9.6	11.6	621.4
132.0	9.4	38.8	20.4	15.9	31.7	3.9	3.6	8.8	13.9	682.8
137.2	10.5	43.7	22.5	18.6	32.8	4.4	3.8	9.0	17.5	742.1

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Table 13.--Western Europe: Agricultural imports by country, European

Commodity and year		SITC number: Major headings	SITC number: Sub headings 1/	European Economic Community: Belgium-Luxembourg	Netherlands	West Germany	France	Italy	Total	Greece
				Million dollars						
Animal and vegetable oils and fats	1963	4		28.3	54.4	139.2	102.0	149.7	473.6	3.6
	1964			34.0	68.0	158.4	123.1	72.1	455.6	1.1
	1965			40.6	84.0	193.3	131.8	72.1	521.8	10.8
(Fish and marine oils)	1963		411.1	3.9	12.6	19.6	5.4	2.1	43.6	.2
	1964			4.5	15.5	23.2	6.5	2.5	52.2	.1
	1965			6.0	19.9	25.3	10.5	2.1	63.8	.1
(Animal and vegetable oils and fats processed)	1963		431	2.5	3.7	5.3	8.9	7.5	27.9	.3
	1964			3.0	3.8	8.1	10.8	6.0	31.7	.4
	1965			3.2	3.7	11.6	15.0	6.9	40.4	.4
Agricultural fats and oils 3/	1963			25.1	48.0	119.3	88.2	140.5	421.1	3.3
	1964			30.9	59.6	131.1	106.6	63.7	391.9	.6
	1965			38.7	65.1	160.5	106.8	63.4	434.5	10.4
Total agricultural 4/	1963			937.4	1,088.9	3,829.2	2,426.1	2,099.1	10,380.7	134.0
	1964			1,101.6	1,252.2	4,161.0	2,645.2	2,042.5	11,202.5	147.2
	1965			1,157.0	1,271.6	4,831.9	2,537.7	2,218.3	12,016.5	197.6
Total imports	1963			5,126.4	5,967.1	13,018.8	8,724.4	7,581.2	40,417.9	804.3
	1964			5,952.2	7,057.3	14,613.4	10,066.7	7,238.7	44,828.3	885.1
	1965			6,373.6	7,462.2	17,472.2	10,335.9	7,347.3	48,991.2	1,133.7

1/ Since these are components of major headings, their values are not duplicated in totals.
2/ Less than $50,000.
3/ Agricultural fats and oils is the sum of 091.3 (Lard), 091.4 (Margarine and shortening), and 4 (Oils and fats) minus 411.1 (Fish and marine oils) and 431 (Processed oils and fats).
4/ Total agricultural is the sum of all major headings except 03 (Fish) and 11 (Beverages), plus the sum of 111 (Nonalcoholic beverages) and 112.1 (Wine), and minus the sum of 081.4 (Meatmeal and fishmeal), 411.1 (Fish and marine oils), and 431 (Processed oils and fats).

n.a. = Not available. n.e.s. = Not elsewhere specified.

Compiled from OECD Statistical Bulletin, Foreign Trade, Series B and C, 1963, 1964, and 1965 and other official sources. SITC is the Standard International Trade Classification, Revised.

Economic Community, and total Western Europe, 1963-65--Continued

United Kingdom	Norway	Sweden	Denmark	Austria	Switzer-land	Portugal	Ireland	Spain	Finland	Total Western Europe
					Million dollars					
123.1	15.0	21.8	8.7	18.6	15.6	6.1	4.3	82.4	2.5	775.3
150.0	20.3	21.2	12.4	22.7	16.8	10.9	5.8	29.0	2.7	748.5
180.7	9.1	24.1	17.5	26.5	18.4	20.7	6.2	70.5	3.0	909.3
25.6	11.3	7.6	2.7	.2	.5	2/	.2	1.1	.4	93.4
33.1	16.5	6.9	5.5	.2	.6	---	.2	.9	.6	116.8
40.9	5.5	9.6	9.6	.2	.7	2/	.1	1.0	.4	131.9
8.8	.9	2.6	1.9	3.3	2.6	.6	1.2	1.5	.7	52.3
11.2	1.0	3.3	2.9	3.1	3.2	.7	1.3	1.6	1.0	61.4
13.0	.6	3.6	3.5	3.9	3.6	.6	1.7	2.2	1.2	74.7
136.8	2.9	12.9	4.1	15.4	12.9	5.6	3.1	80.8	1.4	700.3
183.6	2.8	12.6	4.0	19.8	13.6	10.9	4.4	27.4	1.1	672.7
185.8	3.0	12.8	4.4	23.0	14.5	20.8	5.1	68.5	1.4	784.2
5,808.1	237.8	486.4	359.0	303.8	616.1	176.7	180.2	484.1	221.7	19,388.6
6,011.8	243.3	544.4	427.2	322.0	691.7	203.0	193.5	467.3	219.7	20,673.6
5,731.1	246.3	541.9	436.8	370.6	698.1	235.4	211.5	650.6	201.8	21,538.2
13,496.2	1,821.7	3,386.4	2,113.1	1,675.3	3,234.7	656.2	857.8	1,955.1	1,208.4	71,627.1
15,437.7	1,983.1	3,850.1	2,596.1	1,862.8	3,591.3	776.3	971.1	2,244.0	1,505.0	80,530.9
16,137.7	2,205.7	4,378.5	2,811.2	2,100.6	3,671.3	923.3	1,040.6	3,003.5	1,645.7	88,043.0

Table 14.--United States: Total agricultural exports and agricultural exports by major

Country and year	Total 1/	Grains and preparations			Cotton, excl. linters	Tobacco, unmanu- factured	Vegetable fats and oils 1/ 3/	Oil- seeds
		Wheat and flour 1/	Rice, milled 1/	Feed grains 1/ 2/				
	Million dollars							
Netherlands:								
1962	365.8	29.3	2.4	136.1	11.9	16.1	4.4	66.6
1963	356.6	23.2	3.3	117.1	13.5	18.2	10.3	54.6
1964	445.2	28.2	5.8	132.2	13.5	18.6	16.0	35.4
1965	470.2	27.7	2.1	165.6	7.4	22.5	11.1	86.4
West Germany:								
1962	391.1	11.8	10.5	75.2	15.0	63.4	7.9	52.6
1963	361.4	15.9	7.4	44.9	35.4	64.5	7.2	61.1
1964	435.3	14.1	7.4	66.2	49.1	67.1	14.5	81.7
1965	433.5	15.8	5.1	82.5	17.0	63.6	22.4	79.9
United Kingdom:								
1962	407.6	21.7	5.1	135.8	26.0	84.4	1.5	14.0
1963	408.0	15.8	7.0	88.2	25.5	122.2	2.4	15.1
1964	439.8	19.4	7.2	92.8	30.7	116.8	7.4	19.6
1965	398.0	18.1	6.1	101.2	19.3	95.1	5.9	24.1
Italy:								
1962	175.7	11.5	5/	41.2	39.9	12.8	.7	30.8
1963	207.1	15.4	5/	64.2	34.3	8.4	.6	28.3
1964	220.7	9.9	5/	67.4	59.1	5.8	1.0	32.7
1965	267.3	5.4	5/	145.8	18.8	5.2	1.3	43.0
Belgium-Luxembourg:								
1962	131.8	6.2	.8	60.3	10.8	9.7	.1	16.2
1963	132.4	7.3	2.1	48.4	12.7	9.3	.2	15.4
1964	165.4	3.7	1.8	57.0	21.5	9.7	1.2	23.5
1965	164.8	6.6	1.8	72.8	8.2	11.2	1.0	20.2
Spain:								
1962	98.7	22.3	0	12.2	5/	5/	43.2	.4
1963	122.5	5.8	0	52.2	.3	1.3	24.7	2.5
1964	93.0	1.2	0	30.9	3.3	2.5	14.8	10.8
1965	156.7	.9	0	70.2	3.4	2.9	17.7	31.9
France:								
1962	86.3	5.5	.5	4.7	28.3	3.4	.1	7.7
1963	113.9	11.1	.6	1.3	35.6	3.8	.1	10.0
1964	149.3	8.8	.4	3.7	45.9	4.7	.4	10.9
1965	140.6	16.2	1.1	5.6	18.9	3.8	.9	7.5
Denmark:								
1962	63.7	.2	.3	10.8	2.0	11.6	.1	22.0
1963	77.2	.1	.2	6.4	1.8	11.1	.1	37.2
1964	70.8	5/	.4	7.5	1.7	10.9	5/	25.0
1965	83.0	5/	.3	6.4	.6	13.7	.1	38.5
Switzerland:								
1962	61.6	9.0	.7	8.3	6.7	10.4	5/	2.2
1963	59.1	10.7	1.0	4.2	9.1	9.4	.4	1.3
1964	71.4	9.5	1.9	6.0	13.2	12.5	.1	2.1
1965	60.7	6.7	1.5	6.8	5.8	10.5	1.1	4.4
Sweden:								
1962	46.8	.5	.6	1.2	9.5	13.0	.5	5/
1963	40.9	1.1	.5	.2	8.5	9.7	.8	5/
1964	54.5	.3	.9	.2	9.8	19.1	.6	.6
1965	41.8	.2	.8	.2	7.5	2.8	1.4	.1

See footnotes at end of table.

commodity groups to Western Europe, by country, EEC and EFTA, 1962-65

Oilcake and meal (protein meal)	Fruits and preparations	Vegetables and preparations	Nuts and preparations	Animal fats and oils	Poultry meat	Other meats and products	Hides and skins	Dairy products 1/	Other 1/ 4/
				Million dollars					
16.7	16.2	5.4	0.4	12.2	7.8	6.7	10.2	0.2	23.3
14.0	16.9	6.3	.9	15.1	4.9	8.1	8.2	6.3	35.5
18.4	15.1	4.3	1.7	18.5	4.6	13.3	10.6	28.6	30.4
22.6	19.4	4.3	4.1	18.0	5.3	12.3	13.9	17.6	29.8
8.6	31.1	13.4	2.3	7.4	42.1	6.2	7.5	.5	35.5
9.7	24.3	14.4	2.8	7.5	22.2	6.9	4.7	2.7	29.8
18.2	23.5	11.8	1.8	8.9	26.8	8.7	10.0	2.3	23.2
30.6	30.0	11.3	3.0	7.3	24.1	6.3	11.0	3.1	20.7
.4	33.8	17.0	.8	33.9	1.1	7.7	1.9	.4	21.8
.5	24.0	28.0	1.1	39.1	1.1	7.7	3.4	.6	26.4
.5	23.0	15.0	2.0	58.6	1.4	12.2	6.7	5.7	20.8
5.4	23.2	16.3	4.0	31.5	1.8	14.7	5.0	1.2	25.1
.5	2.8	1.6	5/	14.0	.3	.1	2.0	3.8	13.7
12.0	3.0	3.9	5/	11.0	.7	.1	2.5	10.3	12.2
5.5	2.5	1.8	.1	12.4	1.0	.6	4.9	6.9	9.2
11.5	3.6	1.5	.1	9.8	1.8	.2	4.4	1.5	13.6
6.4	10.4	1.6	.1	1.2	.1	.7	.1	.2	6.7
7.6	11.0	3.3	.2	1.6	.1	.7	.1	5.0	7.3
12.8	11.6	2.2	1.7	3.1	.1	2.2	.2	8.1	5.1
13.8	12.4	1.9	2.6	1.2	.2	1.9	.7	2.5	6.0
3.2	.4	.7	5/	5.7	.1	.1	.6	4.1	5.7
16.4	.6	2.1	5/	7.5	.1	.2	.7	4.4	3.8
12.5	.4	1.6	.1	8.0	5/	.1	1.8	1.7	3.2
5.8	.7	1.8	.1	8.1	5/	.5	2.6	5.4	4.7
13.8	6.2	2.7	.3	.4	5/	3.5	.8	.4	8.1
18.1	9.3	5.2	.3	1.0	5/	7.8	.8	5/	8.7
21.7	8.4	3.6	.5	2.2	.1	17.8	1.7	9.0	9.6
32.2	11.9	3.4	2.1	3.0	.2	16.5	1.6	6.4	9.4
8.4	5.2	.8	.1	5/	5/	5/	.1	5/	2.2
10.7	4.7	1.0	.1	5/	5/	.1	5/	1.2	2.5
11.1	4.5	1.0	.2	5/	5/	.1	.2	4.5	3.7
13.9	5.7	1.0	.2	5/	5/	.1	.1	5/	2.3
2.3	4.7	2.9	.3	1.4	6.2	.2	.5	.3	5.5
.9	4.3	2.8	.7	2.6	3.3	.3	.3	1.2	6.5
1.1	4.4	3.2	.5	4.7	2.2	.4	.6	3.5	5.5
1.4	5.0	2.8	1.4	4.0	1.1	.5	1.0	1.4	5.4
.2	13.0	3.6	1.4	5/	5/	.8	.3	5/	2.3
5/	10.0	4.2	1.7	5/	5/	1.0	.6	.1	2.4
.5	11.0	3.7	1.9	5/	.1	1.6	.6	.2	3.3
.8	13.7	4.2	3.1	.4	.1	1.9	.5	5/	4.1

--Continued

Table 14.--United States: Total agricultural exports and agricultural exports by major

Country and year	Total 1/	Grains and preparations			Cotton, excl. linters	Tobacco, unmanufactured	Vegetable fats and oils 1/ 3/	Oilseeds
		Wheat and flour 1/	Rice, milled 1/	Feed grains 1/ 2/				
	Million dollars							
Norway:								
1962	38.9	4.6	0.1	8.3	1.5	6.1	5/	8.0
1963	35.5	2.5	.1	7.5	1.5	5.1	.1	7.1
1964	40.1	5.8	5/	5.2	2.1	5.2	5/	12.1
1965	37.7	1.0	5/	7.3	1.6	4.4	.1	13.1
Greece:								
1962	18.0	4.7	.2	6.2	.3	0	5/	0
1963	28.6	6.3	.6	9.5	.1	5/	4.8	5/
1964	29.7	4.6	.6	11.7	.5	5/	6.0	0
1965	34.9	3.4	.7	18.9	.5	.1	4.5	5/
Ireland:								
1962	36.8	.7	.1	11.1	.8	18.9	0	0
1963	24.1	.5	.1	5.1	.2	12.8	5/	0
1964	23.6	.3	.2	6.2	.7	10.1	5/	0
1965	23.7	1.2	.1	6.1	.7	9.8	5/	5/
Finland:								
1962	16.7	0	5/	5/	1.3	5.8	5/	2.7
1963	19.3	.3	.1	1.1	2.1	5.5	5/	2.5
1964	15.5	.7	.2	.2	1.5	3.1	5/	2.2
1965	19.6	1.4	.1	.8	1.3	3.7	5/	4.8
Portugal:								
1962	23.9	14.6	0	5/	1.3	4.5	5/	5/
1963	15.5	3.4	1.0	5/	1.7	3.2	5/	5/
1964	27.0	12.3	.5	.5	4.7	4.0	5/	5/
1965	18.7	6.2	1.4	2.0	3.0	2.1	.6	5/
Austria:								
1962	23.1	.4	0	12.9	3.4	4.2	5/	0
1963	11.6	0	5/	3.4	2.3	2.4	.2	0
1964	15.9	.3	.1	5.6	3.4	3.2	.1	0
1965	14.5	0	.1	5.4	1.0	2.9	1.1	0
EEC: 6/								
1962	1,150.7	64.3	14.2	317.6	106.0	105.5	13.2	174.0
1963	1,171.4	73.0	13.4	275.9	131.6	104.2	18.4	169.4
1964	1,415.9	64.8	15.4	326.5	189.1	105.8	33.1	234.0
1965	1,476.5	71.7	10.1	472.2	70.3	106.3	36.7	237.0
EFTA: 7/								
1962	665.6	51.0	6.8	177.2	50.4	134.3	2.1	46.2
1963	647.8	33.6	9.8	110.0	50.5	163.1	4.0	60.8
1964	719.6	47.5	11.0	117.9	65.6	171.7	8.3	59.4
1965	654.5	32.2	10.2	129.2	38.8	131.5	10.2	80.3
Western Europe:								
1962	1,986.5	143.0	21.3	524.3	158.8	264.5	58.5	223.3
1963	2,013.7	119.5	24.0	453.8	184.7	286.9	51.9	235.2
1964	2,297.3	119.1	27.3	493.4	260.6	293.3	62.3	306.4
1965	2,365.9	110.8	21.2	697.4	115.0	254.3	69.1	354.0

1/ Includes food exported for relief or charity by individuals and private agencies. 2/ Feed grains: Barley, corn, oats, and grain sorghums, excluding products. 3/ Excludes essential oils which are included in "other." 4/ Other commodities: Mainly feeds and fodders, field and garden seeds, coffee, hops, essential oils, sugar and related products, and live animals. 5/ Less than $50,000. 6/ The European Economic Community (Common Market) includes the Netherlands, Belgium and Luxembourg, France, West Germany, and Italy. 7/ The European Free Trade Association includes the United Kingdom, Denmark, Switzerland, Sweden, Norway, Austria, and Portugal.

commodity groups to Western Europe, by country, EEC and EFTA, 1962-65--Continued

Oilcake and meal (protein meal)	Fruits and preparations	Vegetables and preparations	Nuts and preparations	Animal fats and oils	Poultry meat	Other meats and products	Hides and skins	Dairy products 1/	Other 1/ 4/
				Million dollars					
1.9	4.8	1.0	0.3	0.2	5/	5/	0.1	5/	1.9
2.7	4.7	1.0	.5	.2	5/	.1	.1	5/	2.3
.8	5.1	.8	.8	.3	5/	.2	.3	5/	1.4
.3	6.2	.8	1.0	.4	5/	.2	.2	5/	1.0
.4	5/	.1	5/	.2	.9	5/	.3	.9	3.7
.6	5/	1.0	0	.3	2.2	5/	.2	.8	2.0
1.0	5/	.5	5/	.7	2.1	5/	.2	.3	1.5
1.1	.1	.4	5/	.5	2.1	5/	.4	1.0	1.3
1.6	2.4	.3	5/	5/	5/	0	5/	5/	1.0
1.3	2.6	.3	.1	.1	5/	0	5/	5/	.9
2.3	2.0	.4	.1	.2	0	5/	5/	5/	1.2
1.8	2.1	.4	.2	5/	0	5/	5/	5/	1.3
0	5.3	.1	.3	5/	5/	5/	.1	5/	1.0
0	5.2	.2	.3	5/	5/	.1	5/	5/	1.9
0	5.4	.2	.3	.1	0	5/	.1	5/	1.4
0	5.3	.1	.3	.1	0	.1	.3	5/	1.4
5/	5/	.1	5/	5/	0	5/	0	1.3	2.0
5/	5/	1.4	5/	1.1	0	5/	5/	2.3	1.4
0	5/	5/	0	1.0	5/	1.5	.1	1.4	1.0
0	5/	5/	0	1.4	5/	5/	.1	1.3	.4
0	.7	.1	5/	0	.8	5/	.1	5/	.4
0	1.0	.3	5/	0	1.1	5/	.1	.2	.5
0	1.2	.3	5/	5/	.7	.1	.5	5/	.4
0	1.7	.3	5/	.1	.4	5/	.4	.2	.9
46.0	66.7	24.6	3.0	35.2	50.3	17.1	20.6	5.0	87.3
61.5	64.5	33.1	4.3	36.2	27.9	23.6	16.4	24.3	93.6
76.6	61.0	23.7	5.8	45.1	32.6	42.5	27.4	54.8	77.6
110.7	77.3	22.3	11.8	39.3	31.5	37.0	31.6	31.0	79.5
13.3	62.2	25.5	2.9	35.6	8.1	8.9	3.0	2.2	36.0
14.8	48.8	38.7	4.1	42.9	5.6	9.2	4.6	5.6	41.9
14.0	49.2	24.0	5.3	64.6	4.4	16.2	9.0	15.3	36.1
21.8	55.6	25.4	9.7	37.9	3.5	17.5	7.3	4.1	39.3
64.5	137.0	51.4	6.2	76.7	59.4	26.1	24.7	12.2	134.7
94.6	121.7	77.2	8.8	87.0	35.8	33.1	21.9	35.1	146.9
106.4	118.1	50.3	11.6	118.7	39.1	58.8	38.7	72.2	121.0
141.2	141.1	50.4	22.1	85.9	37.1	55.1	42.2	41.5	127.5

Note: Data do not include the value of commodities transshiped through Canada. Such shipments in 1965 to West European countries were valued at almost $148 million, including about $83 million to the EEC and $45 million to EFTA.

Compiled from official records, Bureau of the Census.

Table 15.--Eastern Europe and Soviet Union:

Country and year	Production: Potatoes	Production: Sugar-beets	Production: Cotton	Production: Tobacco	Production: Oilseeds 2/	Area: Potatoes	Area: Sugar-beets	Area: Cotton	Area: Tobacco	Area: Oilseeds 2/
	1,000 tons					1,000 hectares				
Albania:										
1962	20	79	19	11	n.a.	4	5	22	22	n.a.
1963	24	94	23	16	5	3	6	23	26	5
1964	34	135	23	14	6	4	6	23	24	6
1965	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1966	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Bulgaria:										
1962	361	1,121	49	4/107	366	43	72	55	120	285
1963	415	1,122	40	4/105	338	43	69	52	124	260
1964	497	2,100	43	4/150	340	41	77	46	131	244
1965 5/	350	1,000	27	4/123	340	43	62	42	130	271
1966	400	2,423	66	4/128	425	43	70	40	120	275
Czechoslovakia:										
1962	5,002	5,811	---	6	48	508	260	---	6	34
1963	6,506	8,018	---	8	41	502	259	---	6	38
1964	7,656	7,474	---	9	46	491	259	---	6	48
1965	3,678	5,662	---	5	62	444	237	---	6	44
1966	5,544	7,383	---	5	65	420	230	---	6	46
East Germany:										
1962	13,284	4,970	---	5	184	742	232	---	5	127
1963	12,886	6,176	---	6	138	747	232	---	5	123
1964	12,872	6,003	---	8	184	745	230	---	5	128
1965	12,856	5,804	---	7	223	725	221	---	4	121
1966	12,700	5,900	---	6	190	720	218	---	5	120
Hungary:										
1962	1,882	2,653	---	19	148	209	125	---	19	142
1963	2,026	3,434	---	27	145	232	118	---	20	144
1964	1,650	3,554	---	29	127	210	133	---	22	130
1965	1,485	3,449	---	28	90	208	121	---	22	118
1966	2,237	3,466	---	27	108	198	109	---	21	118
Poland:										
1962	37,817	10,075	---	37	430	2,910	430	---	31	270
1963	44,868	10,661	---	73	291	2,840	372	---	34	212
1964	48,100	12,574	---	95	328	2,845	444	---	49	251
1965	43,263	12,314	---	52	556	2,803	476	---	41	289
1966	46,800	13,600	---	77	460	2,800	450	---	46	280
Romania:										
1962	2,597	2,180	6/	26	496	305	155	6/	38	499
1963	2,692	2,298	6/	40	563	332	178	6/	41	543
1964	2,640	3,668	6/	42	576	319	190	6/	40	552
1965	2,195	3,275	6/	35	624	306	190	6/	38	541
1966	3,341	4,277	6/	40	680	304	192	6/	38	553
Yugoslavia:										
1962	2,630	1,870	6	30	178	301	75	10	37	114
1963	3,020	2,670	9	54	246	321	96	10	53	154
1964	2,820	2,830	8	66	278	320	88	10	65	160
1965	2,400	2,620	6	49	283	320	80	8	61	175
1966	3,150	3,890	6	54	300	300	106	8	60	165
Total Eastern Europe 7/:										
1962	63,573	28,680	55	230	1,850	5,018	1,349	65	256	1,471
1963	72,413	34,379	49	313	1,762	5,017	1,324	62	283	1,474
1964	76,235	38,203	51	399	1,879	4,971	1,421	56	318	1,513
1965	66,227	34,124	33	299	2,178	4,849	1,387	50	302	1,559
1966	74,172	40,939	72	337	2,228	4,785	1,375	48	296	1,557
USSR 8/:										
1962	62,709	47,435	4,304	9/132	5,096	8,700	3,200	2,400	n.a.	6,010
1963	64,651	44,052	5,210	9/150	4,526	8,500	3,800	2,500	n.a.	6,150
1964	84,278	81,174	5,280	9/227	6,108	8,500	4,100	2,500	n.a.	6,270
1965	79,178	71,541	5,660	9/212	5,557	8,600	3,900	2,460	n.a.	6,400
1966	78,480	73,800	6,000	9/230	6,440	8,400	3,800	2,463	n.a.	6,500
Total Eastern Europe and USSR 7/:										
1962	126,282	76,115	4,359	362	6,946	13,718	4,549	2,465	256	7,481
1963	137,064	78,431	5,259	463	6,288	13,517	5,124	2,562	283	7,624
1964	160,513	119,377	5,331	626	7,987	13,471	5,521	2,556	318	7,783
1965	145,405	105,665	5,693	511	7,735	13,449	5,287	2,510	302	7,959
1966	152,652	114,739	6,072	567	8,668	13,185	5,175	2,511	296	8,057

1/ 1966 data are preliminary. 2/ Sunflowerseed is the major oilseed in Bulgaria, Hungary, Yugoslavia, and the USSR
flue-cured only. 5/ ERS-USDA estimate. 6/ Less than 500 tons or 500 hectares. 7/Does not include Albania.
includes pulses) are USDA estimates. 9/Procurements of tobacco and makhorka only. n.a. = Not available.

Production and area of selected crops, 1962-66 1/

Production: Wheat	Rye	Barley	Oats	Corn	Other 3/	Total grains	Area: Wheat	Rye	Barley	Oats	Corn	Other 3/	Total grains
- - - -	- - - -	- - - -	1,000 tons	- - - -	- - - -	- - - -	- - - -	- - - -	- - - -	1,000 hectares	- - - -	- - - -	- - - -
144	7	3	16	123	21	314	134	11	4	21	121	27	318
60	5	3	11	192	22	293	82	9	4	20	152	22	289
122	6	3	15	169	35	350	125	10	4	22	121	36	318
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
2,081	49	519	114	1,556	44	4,363	1,244	59	303	152	651	18	2,427
1,892	56	618	133	1,732	47	4,478	1,188	57	343	133	660	18	2,399
2,118	64	764	149	2,056	37	5,188	1,194	58	358	130	658	16	2,414
2,921	52	876	110	1,238	35	5,232	1,145	46	372	145	555	17	2,280
3,173	56	1,064	170	2,135	46	6,921	1,140	42	417	130	579	17	2,325
1,644	916	1,752	905	471	---	5,688	673	441	694	448	237	---	2,493
1,766	880	1,620	797	578	---	5,641	720	426	692	409	213	---	2,460
1,829	870	1,429	669	465	---	5,262	831	406	686	394	186	---	2,503
1,992	822	1,399	630	393	---	5,236	826	411	668	375	161	---	2,441
2,150	784	1,587	741	510	---	5,772	860	390	690	380	170	---	2,490
1,315	1,726	1,164	1,054	3	675	5,937	423	811	374	372	1	266	2,247
1,280	1,675	1,197	807	3	574	5,536	426	820	424	315	1	253	2,239
1,348	1,890	1,496	775	---	675	6,184	433	823	464	295	---	272	2,287
1,802	1,910	1,651	758	---	610	6,731	491	822	497	260	---	234	2,304
1,680	1,800	1,530	810	3	675	6,498	480	820	465	290	2	270	2,327
1,959	233	1,144	115	3,240	36	6,727	1,095	232	548	84	1,288	19	3,266
1,523	215	869	106	3,551	48	6,312	976	208	486	90	1,289	19	3,068
2,059	265	818	55	3,509	35	6,741	1,112	247	522	71	1,209	18	3,179
2,347	288	1,013	63	3,564	21	7,296	1,082	246	501	57	1,218	17	3,121
2,120	242	916	72	3,562	22	6,934	1,019	222	490	62	1,250	19	3,062
2,700	6,685	1,315	2,740	19	466	13,925	1,393	4,700	663	1,584	9	337	8,686
3,067	7,124	1,479	2,830	14	546	15,060	1,541	4,383	748	1,682	7	373	8,734
3,072	6,982	1,268	2,238	18	493	14,071	1,640	4,417	745	1,574	8	348	8,732
3,422	8,289	1,459	2,512	20	534	16,236	1,660	4,494	700	1,349	8	347	8,558
3,600	7,800	1,400	2,700	19	481	16,000	1,710	4,500	720	1,320	8	350	8,608
4,054	75	419	167	4,932	30	9,677	3,043	77	250	174	3,107	13	6,664
3,799	78	351	124	6,023	61	10,436	2,874	80	224	130	3,379	22	6,709
3,824	92	348	79	6,692	72	11,107	2,959	91	196	89	3,319	39	6,693
5,937	125	485	124	5,877	53	12,601	2,983	102	233	116	3,306	26	6,766
5,200	110	470	120	7,900	62	13,862	3,034	91	246	137	3,323	21	6,852
3,510	169	475	305	5,270	57	9,786	2,130	177	351	310	2,460	37	5,465
4,140	156	524	345	5,380	54	10,599	2,140	157	350	315	2,410	34	5,406
3,700	175	534	293	6,960	52	11,714	2,100	157	369	306	2,430	31	5,393
3,460	156	682	338	5,920	56	10,612	1,680	146	405	321	2,550	30	5,132
4,620	176	714	387	7,980	61	13,938	1,830	142	394	320	2,600	30	5,316
17,263	9,853	6,788	5,400	15,491	1,308	56,103	10,001	6,497	3,183	3,124	7,753	690	31,248
17,467	10,184	6,658	5,142	17,281	1,330	58,062	9,865	6,131	3,267	3,074	7,959	719	31,015
17,950	10,338	6,657	4,258	19,700	1,364	60,267	10,269	6,199	3,340	2,859	7,810	724	31,201
21,881	11,642	7,565	4,535	17,012	1,309	63,944	9,867	6,267	3,376	2,623	7,798	671	30,602
22,543	10,968	7,681	5,000	22,109	1,347	69,925	10,073	6,207	3,422	2,639	7,932	707	30,980
54,400	13,716	15,674	5,600	9,800	10,395	109,585	67,400	16,900	16,300	6,900	7,000	14,176	128,676
40,000	11,700	16,400	3,700	8,500	9,675	89,975	64,600	15,000	20,500	5,700	7,000	17,180	129,980
57,700	12,800	23,800	3,900	9,200	14,175	121,575	67,900	16,800	21,700	5,700	5,100	16,121	133,321
46,500	14,500	19,000	4,600	4,800	9,306	98,706	70,200	16,000	19,700	6,600	3,200	12,300	128,000
80,000	11,000	24,000	7,500	7,500	10,500	140,500	70,000	13,600	20,000	6,800	3,229	11,200	124,800
71,663	23,569	22,462	11,000	25,291	11,703	165,688	77,401	23,397	19,483	10,024	14,753	14,866	159,924
57,467	21,884	23,058	8,842	25,781	11,005	148,037	74,465	21,131	23,767	8,774	14,959	17,899	160,995
75,650	23,138	30,457	8,158	28,900	15,539	181,842	78,169	22,999	25,040	8,559	12,910	16,845	164,522
68,381	26,142	26,565	9,135	21,812	10,615	162,650	80,067	22,267	23,076	9,223	10,998	12,971	158,602
102,543	21,968	31,681	12,500	29,609	11,847	210,425	80,073	19,807	23,422	9,439	11,161	11,907	155,780

while rapeseed is the major oilseed in Czechoslovakia, East Germany, and Poland. 3/ Includes rice. 4/ Oriental and
8/Data on production of potatoes, total oilseeds, wheat, rye, barley, oats, corn, other and total grains (which

Table 16.--Eastern Europe and Soviet Union: Production of principal livestock products, 1962-66 1/

Country and year	Beef, veal	Mutton, lamb, goatmeat	Pork	Poultry meat	Total meat	Milk	Wool 2/	Eggs
	1,000 tons							Millions
Albania 3/								
Bulgaria:								
1962	62	49	153	32	300	1,127	23	1,316
1963	67	49	128	32	278	1,171	24	1,246
1964	68	57	145	35	306	1,303	25	1,326
1965	83	65	179	42	372	1,346	26	1,400
1966	86	68	187	43	387	1,395	25	1,450
Czechoslovakia:								
1962	218	2	371	48	639	4/3,664	1	2,375
1963	210	1	376	50	637	4/3,535	2	2,515
1964	228	2	394	50	674	4/3,763	2	2,695
1965	230	2	442	58	732	4/3,924	2	3,007
1966	229	3	398	50	680	4/3,950	2	2,800
East Germany:								
1962	229	---	537	58	854	5,425	7	3,100
1963	213	---	650	64	957	5,773	8	3,250
1964	226	---	748	64	1,069	5,947	8	3,696
1965	244	---	798	64	1,131	6,542	8	3,935
1966	257	---	840	72	1,204	6,570	8	4,180
Hungary:								
1962	144	14	291	122	571	4/1,806	9	1,835
1963	149	13	289	131	582	4/1,804	10	1,887
1964	5/124	5/13	5/291	143	571	4/1,856	10	2,200
1965	5/135	5/13	5/330	5/150	628	4/1,804	10	2,285
1966	142	14	274	157	587	4/1,766	10	2,330
Poland:								
1962	396	25	1,284	75	1,818	4/12,873	8	6,092
1963	443	22	1,120	73	1,691	4/12,653	7	5,751
1964	462	19	1,102	82	1,703	4/12,604	7	6,000
1965	423	20	1,306	89	1,882	4/13,308	7	6,244
1966	444	15	1,334	94	1,905	4/13,500	8	6,180
Romania:								
1962	196	74	306	103	679	3,261	24	2,568
1963	180	65	252	90	587	3,085	23	2,258
1964	198	70	348	97	713	3,115	25	2,456
1965	5/210	5/70	337	5/85	695	3,350	25	2,630
1966	214	70	345	5/86	715	3,440	26	2,750
Yugoslavia:								
1962	216	54	239	66	622	2,398	13	1,420
1963	208	45	246	67	611	2,342	13	1,643
1964	180	42	314	73	657	2,406	12	1,733
1965	183	44	395	80	757	2,474	13	1,746
1966	210	45	315	85	702	2,567	13	1,720
Total Eastern Europe 6/:								
1962	1,461	218	3,181	504	5,483	30,554	85	18,706
1963	1,470	195	3,061	507	5,343	30,363	87	18,550
1964	1,486	203	3,342	544	5,693	30,994	89	20,106
1965	1,508	214	3,787	568	6,197	32,748	91	21,247
1966	1,582	215	3,693	587	6,180	33,188	92	21,410
USSR 7/:								
1962	2,800	880	3,000	800	7,780	54,600	371	30,100
1963	3,100	960	3,150	800	8,310	52,000	373	28,500
1964	3,060	880	2,100	600	6,840	54,000	341	26,700
1965	3,315	800	3,075	700	8,140	61,500	369	29,000
1966	3,570	880	3,300	800	8,850	64,700	375	31,400
Total Eastern Europe and USSR 6/:								
1962	4,261	1,098	6,181	1,304	13,263	85,154	456	48,806
1963	4,570	1,155	6,211	1,307	13,653	82,363	460	47,050
1964	4,546	1,083	5,442	1,144	12,533	84,994	430	46,806
1965	4,823	1,014	6,862	1,268	14,337	94,248	460	50,247
1966	5,152	1,095	6,993	1,387	15,030	97,888	467	52,810

1/ 1966 data are preliminary and meat production data are in terms of carcass weight (excluding fats and offals except for Romania). 2/ Greasy basis. 3/ Data are not available. 4/ Cows' milk only. 5/ ERS-USDA estimates. 6/ Does not include Albania. 7/ Milk production excludes milk consumed by calves.

Table 17.--Eastern Europe and Soviet Union: Livestock numbers, 1962-66

Country and year	Date of census	Cattle: Total	Cattle: Cows	Hogs	Sheep	Goats	Horses	Poultry
		1,000 head						
Albania:	Jan. 1							
1962		415	147	128	1,586	1,142	49	1,677
1963		407	148	108	1,576	1,119	46	1,651
1964		402	149	112	1,581	1,120	45	1,692
1965		427	157	147	1,682	1,199	44	1,671
1966		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Bulgaria:	Jan. 1							
1962		1,582	599	2,331	10,161	265	301	22,800
1963		1,582	600	2,066	10,107	286	277	20,969
1964		1,494	568	2,097	10,308	353	256	21,922
1965		1,474	576	2,607	10,440	422	249	21,883
1966		1,450	581	2,408	10,312	n.a.	240	20,845
Czechoslovakia:	Jan. 1							
1962		4,518	2,062	5,895	603	597	292	28,805
1963		4,507	2,045	5,897	524	588	254	28,032
1964		4,480	1,984	5,845	527	582	227	30,093
1965		4,436	1,959	6,139	568	n.a.	204	28,840
1966		4,388	1,948	5,543	614	n.a.	188	27,752
East Germany:	Jan. 1							
1962		4,548	2,170	8,864	1,930	446	403	35,878
1963		4,508	2,092	8,045	1,792	388	369	35,626
1964		4,614	2,102	9,288	1,899	396	341	39,580
1965		4,682	2,132	8,759	1,972	353	306	38,210
1966		4,762	2,168	8,878	1,963	302	272	37,988
Hungary:	Mar. 15							
1962		1,988	828	6,409	2,850	1/	374	28,258
1963		1,906	777	5,428	3,043	1/	339	27,118
1964		1,883	767	6,358	3,305	1/	323	29,340
1965		1,964	798	6,963	3,400	1/	321	29,996
1966		1,973	766	5,799	3,270	1/	295	28,589
Poland:	June 30							
1962		9,590	6,022	13,617	3,251	1/	2,657	76,860
1963		9,841	6,070	11,653	3,056	1/	2,620	75,770
1964		9,940	6,013	12,918	3,022	1/	2,593	79,270
1965		9,947	5,920	13,779	3,060	1/	2,554	81,211
1966		10,387	6,010	14,251	3,164	1/	2,590	84,050
Romania:	Jan. 1							
1962		4,707	2,144	4,665	12,285	562	1,013	44,692
1963		4,566	2,026	4,518	12,168	550	780	34,150
1964		4,637	1,960	4,658	12,400	618	709	38,358
1965		4,756	1,901	6,034	12,734	744	689	39,910
1966		4,935	2,008	5,365	13,125	807	689	40,084
Yugoslavia:	Jan. 1							
1962		5,884	2,763	5,161	2/11,143	3/	1,226	28,304
1963		5,355	2,689	5,013	2/10,055	3/	1,175	29,939
1964		5,106	2,616	6,106	2/9,726	3/	1,140	32,473
1965		5,219	2,520	6,978	2/9,433	3/	1,109	31,429
1966		5,854	2,622	5,118	2/9,868	3/	1,131	31,685
Total Eastern Europe 4/:								
1962		33,232	16,735	47,070	43,809	3,012	6,315	267,274
1963		32,672	16,447	42,728	42,321	2,931	5,860	253,255
1964		32,556	16,159	47,382	42,768	3,069	5,634	272,728
1965		32,905	15,963	51,406	43,289	2,718	5,476	273,150
1966		33,749	16,103	47,362	42,316	1,109	5,405	270,993
USSR:	Jan. 1							
1962		82,100	36,300	66,700	137,500	7,000	9,400	542,600
1963		87,000	38,000	70,000	139,700	6,700	9,100	550,400
1964		85,400	38,300	40,900	133,900	5,600	8,500	448,900
1965		87,200	38,800	52,800	125,200	5,500	7,900	456,000
1966		93,400	40,100	59,500	129,800	5,500	8,000	490,500
Total Eastern Europe and USSR 4/:								
1962		115,332	53,035	113,770	181,309	10,012	15,715	809,874
1963		119,672	54,447	112,728	182,021	9,631	14,960	803,655
1964		117,956	54,459	88,282	176,668	8,669	14,134	721,628
1965		120,105	54,763	104,206	168,489	8,218	13,376	729,150
1966		127,149	56,203	106,862	172,116	6,609	13,405	761,493

1/ Less than 500 head. 2/ Includes goats. 3/ No breakdown for goats included with sheep. 4/ Totals of available data. n.a. = Not available.

Table 18.--Eastern Europe and Soviet Union: Principal agricultural imports and exports, 1961-65

Country by commodity	1961	1962	1963	1964	1965
			1,000 tons		
BULGARIA					
Imports:					
Wheat	7.6	119.9	193.1	407.8	n.a.
Rice, milled	12.4	13.0	25.3	52.0	n.a.
Sugar, refined	74.1	123.8	3.1	n.a.	n.a.
Rubber, crude	13.3	17.0	18.2	22.9	n.a.
Cotton, lint	30.3	47.5	31.8	45.1	n.a.
Wool, scoured	1.3	1.1	1.7	2.2	n.a.
Hides and skins	2.5	2.5	3.6	3.3	n.a.
Exports:					
Pigs, for slaughter 1/	137.2	138.6	91.5	115.2	n.a.
Pork	13.1	10.0	4.5	1.4	n.a.
Poultry meat	7.2	6.8	6.6	7.5	n.a.
Cheese	10.7	10.5	4.0	11.4	n.a.
Eggs 2/	534.0	442.2	331.2	400.7	n.a.
Wheat	10.4	2.0	28.2	7.0	n.a.
Corn	104.3	82.7	73.5	244.9	n.a.
Fruits, fresh 3/	198.1	260.9	291.7	230.5	n.a.
Fruits, other	89.4	79.2	95.3	101.4	n.a.
Vegetables, fresh 4/	324.3	317.6	286.2	327.2	n.a.
Vegetables, other	121.2	125.7	115.6	127.4	n.a.
Wine, grape	40.1	37.9	52.4	51.9	n.a.
Tobacco, oriental	61.3	52.6	77.7	81.5	n.a.
Sunflowerseed	43.5	92.4	32.7	111.4	n.a.
CZECHOSLOVAKIA					
Imports:					
Meat and meat products 5/	83	89	96	62	48
Butter	17	15	20	10	12
Eggs 2/	74	32	23	61	48
Wheat	1,004	927	1,365	1,489	924
Rice, milled	85	82	88	89	73
Feed grains 6/	638	702	653	1,121	1,250
Fruits	144	158	159	184	241
Vegetables	106	137	119	112	144
Nuts	7	5	8	6	7
Coffee, cocoa beans, and tea	30	22	26	26	26
Wine 7/	409	390	384	474	471
Tobacco	20	13	13	18	17
Oilseeds	122	121	100	101	79
Cotton	122	92	105	106	100
Wool	22	20	20	21	23
Jute	17	18	20	14	14
Exports:					
Eggs 2/	154	54	99	74	66
Malt 8/	225	214	246	216	244

Table 18.--Eastern Europe and Soviet Union: Principal agricultural imports and exports, 1961-65--Continued

Country by commodity	1961	1962	1963	1964	1965
	1,000 tons				
CZECHOSLOVAKIA--Continued					
Exports--Continued					
Hops	4.3	3.7	4.9	5.4	4.7
Sugar, refined	662	528	513	359	513
Beer 7/	468	465	442	326	321
EAST GERMANY					
Imports:					
Meat and meat products	107.5	202.2	139.1	106.1	76.6
Butter	51.2	55.7	43.8	31.2	29.2
Cheese	21.2	18.2	16.8	16.5	14.0
Eggs and egg products 2/	20.8	55.3	164.8	113.3	19.5
Wheat	1,250.0	1,238.0	1,023.0	1,303.0	1,225.0
Rice	30.3	30.4	30.3	26.8	40.4
Feed grains	550.0	1,001.0	658.0	629.0	473.0
Fruit, fresh and tropical	212.5	211.0	236.4	273.2	283.4
Fruit, canned and juices	39.6	31.1	32.0	52.5	40.4
Potatoes	90.4	129.1	128.2	409.8	84.5
Vegetables, fresh	102.9	94.6	130.5	148.8	88.6
Vegetables, canned	27.9	24.6	33.2	92.2	57.4
Coffee, cocoa, and tea	42.1	44.7	49.9	52.4	53.0
Wine and champagne 7/	519.2	647.1	705.9	642.5	555.9
Spirits 7/	8.9	18.0	6.9	10.0	6.3
Beer 7/	78.3	77.9	78.2	78.6	78.1
Tobacco, smoking and cured	22.4	24.2	29.2	27.2	27.8
Hides and skins 9/	22.1	24.3	20.1	21.0	19.2
Oilseeds	126.6	108.2	137.3	154.6	139.6
Cotton	92.5	123.6	93.5	96.2	99.3
Wool, scoured	23.0	21.2	23.3	22.3	24.7
Animal fats, refined and unrefined	2.5	10.4	3.2	2.2	---
Vegetable oils, raw and refined	121.5	148.8	136.3	119.1	106.1
Edible legumes	7.2	7.2	8.3	22.8	5.8
Exports:					
Sugar, refined	377.3	213.1	195.7	172.9	97.5
HUNGARY					
Imports:					
Meat	18.9	20.3	37.0	43.4	n.a.
Wheat and wheat flour	448.0	225.4	340.4	332.0	n.a.
Rice, milled	23.2	17.6	21.1	17.4	21.4
Feed grains	307.4	491.1	302.6	268.1	550.3
Fruit, citrus	18.6	32.2	28.1	36.3	n.a.
Sugar, refined	80.8	109.0	86.2	---	n.a.
Coffee	3.3	5.5	6.9	11.0	n.a.

--Continued

Table 18.--Eastern Europe and Soviet Union: Principal agricultural imports and exports, 1961-65--Continued

Country by commodity	1961	1962	1963	1964	1965
	1,000 tons				
HUNGARY--Continued					
Imports--Continued					
Cocoa beans	3.3	6.3	7.2	7.0	12.5
Tobacco	7.5	6.5	4.6	5.0	n.a.
Hides and skins	21.1	19.1	18.8	21.4	24.6
Cotton	68.0	65.1	63.6	68.4	72.1
Wool, scoured	4.3	3.8	4.2	4.6	3.4
Jute	6.4	9.3	8.0	9.1	n.a.
Fats and lard	19.4	12.1	17.8	17.8	n.a.
Tallow	7.7	7.1	4.6	3.8	n.a.
Exports:					
Cattle, for slaughter 1/	92.4	97.2	143.9	107.3	148.5
Pigs, for slaughter 1/	77.8	155.2	145.9	51.7	267.4
Meat	21.7	40.7	36.8	31.0	n.a.
Poultry, for slaughter	15.2	20.7	26.4	27.2	36.1
Eggs, fresh 2/	135.1	60.0	90.7	197.6	344.3
Butter	4.0	4.7	5.4	4.4	5.9
Cheese	7.7	7.5	8.8	8.4	6.2
Wheat and wheat flour	120.2	47.8	57.5	25.9	n.a.
Corn	53.5	34.2	25.5	63.9	92.7
Fruit, fresh	146.7	113.0	207.0	204.9	n.a.
Beans	2.7	4.7	15.5	11.7	n.a.
Peas	27.3	31.4	21.6	17.6	n.a.
Onions	10.4	23.4	41.9	36.0	n.a.
Potatoes	69.8	24.3	42.6	37.9	n.a.
Vegetables, fresh	71.7	98.6	138.3	105.0	n.a.
Sugar, refined	177.0	214.8	222.9	147.0	n.a.
Wine 7/	410.8	335.2	401.8	569.4	689.0
Vegetable oils	14.5	22.8	28.9	21.2	18.0
Fats and oils	10.5	9.4	8.4	9.7	
POLAND					
Imports:					
Meat and meat products	9.8	5.0	47.6	37.7	39.4
Wheat	1,739	1,504	1,673	2,211	1,378
Rice, milled	60	51	99	55	67
Feed grains	681	670	940	473	1,270
Fruits and vegetables	62	145	116	84	157
Fruits, citrus	36.3	35.0	33.7	38.9	60.1
Tea and coffee	6.5	11.3	13.8	15.6	21.1
Cocoa beans	9.7	11.5	12.2	14.0	17.3
Tobacco	11.6	15.1	19.3	15.8	16.5
Cotton	140	121	123	152	143
Vegetable oils and animal fats	92	102	82	178	123
Oilseeds 10/	21.0	16.4	22.7	24.7	48.5
Wool	17.6	18.5	14.9	15.7	17.3

Table 18.--Eastern Europe and Soviet Union: Principal agricultural imports and exports, 1961-65--Continued

Country by commodity	1961	1962	1963	1964	1965
	1,000 tons				
POLAND--Continued					
Exports:					
Pigs for slaughter 11/	64.5	45.6	8.6	9.1	9.2
Meat and meat products 12/	152.7	154.2	125.3	126.2	174.7
Canned ham	17.3	16.8	17.7	19.8	22.3
Butter	26.7	27.5	18.6	20.0	18.3
Eggs 2/	1,443	1,219	783	638	751
Feed grains 13/	125	52	105	105	102
Sugar, raw and refined	661	734	213	504	473
Lard	8.2	23.2	4.3	0.4	5.4
ROMANIA					
Imports:					
Rice, milled	15.8	23.1	43.1	29.2	36.7
Fruit, citrus	18.3	21.1	19.6	20.0	22.0
Olives	7.0	6.1	8.1	6.4	6.9
Sugar, refined	30.4	37.0	44.9	---	---
Cocoa beans (including powdered cocoa)	2.1	2.5	3.8	3.7	5.6
Hides and skins	5.3	13.6	6.5	12.2	14.4
Rubber, crude	11.5	13.8	19.2	22.3	19.2
Cotton, lint	60.8	60.8	65.4	66.6	67.0
Wool	2.9	0.3	0.3	0.8	1.4
Edible vegetable oil	2.6	1.5	0.8	2.0	0.8
Exports:					
Eggs 2/	107.7	131.6	81.2	148.3	245.8
Grain, total (excluding seed)	1,208.4	1,067.9	1,408.8	1,234.2	882.2
Fruit, fresh	47.0	42.8	69.0	53.6	96.5
Fruit, canned	85.2	75.9	107.6	93.7	86.0
Grapes	24.5	54.9	52.0	40.7	60.3
Vegetables, fresh	43.5	71.1	82.1	105.4	136.8
Vegetable, canned	11.7	15.4	20.7	29.5	25.9
Potatoes	93.0	20.9	38.1	8.5	11.1
Sugar, refined	147.4	310.8	75.6	52.9	34.5
Wine	31.3	20.7	26.8	42.4	43.3
Wool	1.0	0.9	1.0	0.9	1.2
Edible animal fats	9.6	8.8	7.9	12.0	19.3
Edible vegetable oil	33.7	47.6	39.7	37.1	33.3
Castor oil	6.1	7.9	1.4	2.9	4.0
YUGOSLAVIA					
Imports:					
Pigs, for slaughter	16.2	22.5	9.0	11.6	21.5
Milk, powdered	20.9	18.1	23.1	19.7	13.3
Eggs	2.4	3.6	3.8	3.8	4.0

--Continued

Table 18.--Eastern Europe and Soviet Union: Principal agricultural imports and exports, 1961-65--Continued

Country by commodity	1961	1962	1963	1964	1965
	1,000 tons				
YUGOSLAVIA--Continued					
Imports--Continued					
Wheat and wheat flour	744.8	732.9	1,438.3	602.4	1,192.6
Rice, milled	13.6	4.1	38.9	36.9	26.4
Feed grain	1.1	74.2	101.4	177.2	5.5
Fruit, citrus	45.8	39.8	39.4	62.6	66.3
Potatoes	1.0	22.8	14/ 7.6	14/ 1.7	14/ 25.1
Sugar, refined	107.3	131.4	54.6	106.3	94.2
Coffee beans	9.6	10.3	17.8	15.7	17.7
Cocoa beans	6.6	3.6	9.6	6.7	13.8
Tobacco	.4	9.9	10.1	3.4	.1
Hides	21.3	20.6	22.4	27.4	25.1
Oilseeds	9.4	12.3	23.5	25.9	24.9
Rubber, crude	14.3	13.9	15.1	17.0	16.5
Cotton	57.3	64.2	72.2	86.7	90.0
Jute	6.9	11.1	15.0	12.2	13.6
Wool	12.1	6.4	11.5	15.4	16.1
Edible vegetable oils	38.4	41.4	30.4	47.1	---
Lard	1.7	2.2	7.4	9.4	.4
Tallow	9.9	15.2	11.8	6.0	16.1
Exports:					
Cattle, for slaughter	55.6	37.0	44.5	19.1	11.2
Sheep, for slaughter	15.8	8.7	7.2	.4	1.9
Hogs, for slaughter	1.1	1.1	.1	15/	.4
Horses, for slaughter	27.4	29.1	27.7	16.8	11.9
Meat, fresh	51.2	79.6	89.4	110.4	125.6
Meat, canned	23.4	21.1	23.8	30.4	36.9
Cheese	.6	8.8	.5	.9	1.2
Eggs	13.6	6.2	5.1	3.6	2.0
Corn	376.4	27.8	104.3	17.7	51.4
Other feed grains	5.1	19.4	5.3	2.9	1.1
Fruit, fresh	24.4	71.7	33.6	61.2	35.2
Prunes	15.2	14.6	33.0	17.6	13.0
Fruit pulp	13.4	16.2	16.0	13.7	13.2
Potatoes	14.9	.2	.7	.3	.3
Beans, dry	10.3	.8	.3	.4	7.8
Hops	5.5	3.9	4.7	4.8	4.9
Sugar, refined	24.6	21.2	25.0	12.3	n.a.
Wine	39.0	50.0	43.3	49.6	40.0
Tobacco	15.9	15.3	16.8	22.7	23.2
Oilseeds	4.5	1.7	3.8	7.2	13.0
Hemp, all	13.4	10.3	13.5	10.4	8.8
SOVIET UNION					
Imports:					
Animals for slaughter	152.5	136.9	86.2	79.0	118.5
Meat and meat products	59.7	149.1	37.4	119.9	252.2

Table 18.--Eastern Europe and Soviet Union: Principal agricultural imports and exports, 1961-65--Continued

Country by commodity	1961	1962	1963	1964	1965
			1,000 tons		
SOVIET UNION--Continued					
Imports--Continued					
Eggs 2/	160.5	66.3	76.7	532.0	706.1
Wheat	655.9	45.1	3,052.5	7,281.4	6,375.1
Flour, in terms of grain 16/	28.1	27.6	346.5	1,215.0	361.4
Rice, milled	19.9	337.5	193.3	363.1	237.9
Fruit, fresh	316.5	345.6	407.2	439.6	500.9
Fruit, dried	83.9	77.2	113.4	76.6	85.3
Vegetables	281.6	291.7	347.9	462.0	349.6
Sugar, refined equivalent	3,259.5	2,256.0	1,046.5	1,692.7	2,122.7
Coffee, cocoa, and tea	65.2	87.4	105.4	129.0	156.0
Tobacco	57.8	66.6	98.4	129.1	104.1
Hides and skins 17/	18.5	19.5	26.4	28.9	22.8
Oilseeds	90.2	57.3	65.2	72.5	156.8
Rubber, crude	360.3	361.7	298.4	186.1	271.2
Cotton, lint	141.6	150.2	225.6	144.9	182.9
Wool, scoured	55.3	48.6	42.4	46.3	52.8
Vegetable oils, edible	54.4	15.1	37.3	43.2	68.1
Exports:					
Meat and meat products	66.0	133.7	183.0	60.9	31.7
Butter	55.6	69.7	65.0	25.3	43.0
Wheat	4,800.6	4,765.2	4,080.8	2,030.5	1,662.6
Flour, in terms of grain 16/	314.0	314.2	345.5	400.6	333.4
Rye	1,088.0	1,300.3	815.0	150.3	36.9
Barley	1,006.8	466.8	594.3	665.8	2,067.9
Oats	179.9	25.3	22.0	28.3	11.8
Corn	405.6	1,256.7	723.1	638.6	551.1
Sugar, refined	18/886.3	792.4	802.4	347.8	604.1
Oilcake	386.1	348.6	193.2	45.5	129.2
Tobacco, raw	2.9	1.8	1.8	3.2	2.1
Oilseeds	120.7	112.7	101.2	113.5	88.2
Cotton, lint	382.6	343.6	321.5	393.6	457.7
Wool, scoured	28.1	24.2	27.6	24.4	26.4
Vegetable oils	121.8	152.5	258.9	189.9	242.1

1/ 1,000 head. 2/ Millions, fresh equivalent. 3/ Includes watermelons and musk-melons. 4/ Includes potatoes. 5/ Including animals for slaughter in slaughter-weight equivalent. 6/ Rye imports from the USSR included for the years 1961-64. 7/ 1,000 hectoliters (1 hectoliter = 26.418 U.S. gallons). 8/ In terms of barley. 9/ Salt weight. 10/ Oil equivalent. 11/ Slaughter weight. 12/ Excludes canned ham. 13/ Includes malt in terms of barley. 14/ Including seed potatoes. 15/ Less than 50 tons. 16/ 80 percent milling rate assumed. 17/ Millions. 18/ Includes 501,000 tons of raw sugar (equivalent to 472,600 tons refined) to Mainland China. n.a. = Not available.

Sources: Official statistical handbooks published by the various countries, and for some data on Bulgaria, Trade Yearbook, FAO, Vol. 19, 1965.

Table 19.--Eastern Europe and Soviet Union: Agriculture in the economy and major agricultural inputs, by country, 1965

Item	Unit	Bulgaria	Czechoslovakia	East Germany	Hungary	Poland	Romania	Yugoslavia	USSR
Agriculture in the economy:									
Share of gross production 1/	Percent	33	12	10	16.5	19	29	26	2/22
Share of exports	Do.	47	4	n.a.	22	21	35	31	3/8.4
Share of imports	Do.	11	16	27	10	21	14	19	3/20.2
Rural population 4/	Do.	54	18	28	36	50	66	50	46
Inputs in agriculture:									
Land:									
Agricultural land 5/	Mil. ha.	5.8	7.2	6.4	6.9	20	14.8	14.8	543
Arable land 5/	Do.	4.8	5.1	4.7	5.1	15.4	9.8	7.6	223
Sown area	Do.	4.2	5.1	4.7	5.0	15.4	9.8	7.6	209
Labor:									
Agricultural labor force 6/	Million	2.2	1.2	1.2	1.5	6.5	7.1	4.6	46.5
Share of total labor force 6/	Percent	45	19	16	31.2	47	56	55	40
Sown area per worker 6/	Hectares	1.9	4.0	2.7	3.1	2.3	1.4	1.7	4.5
Tractors:									
Tractors, physical units 7/	Thousand	39	107	124	61	124	81	45	1,613
Tractors, 15 hp. units 7/	Do.	62	179	157	92	146	133	n.a.	3,032
Average hp. per tractor 7/	Hp.	24	25	19	21	18	24	n.a.	28.2
Sown area per 15 hp. units 7/	Hectares	68	29	30	59	105	74	n.a.	70
Fertilizer consumption (active substance):									
Arable land 8/	Kg./ha.	60	9/121	278	70	72	31	60	28.5
Sown area 8/	Do.	86	9/176	280	70	72	31	60	30

1/ As defined and calculated by the respective countries and not strictly comparable with GNP concept. The share of agriculture in national income as calculated by these countries is normally higher. Hungary and Yugoslavia, 1964. 2/ National income as calculated by the Soviet Union (Narodnoe khozyaystvo SSSR v 1965 g.). 3/ USSR, food products and raw materials for their production only. 4/ Beginning of year; Hungary--1960, Yugoslavia and Czechoslovakia--1961. 5/ Midyear or end of year. 6/ Poland 1960; Yugoslavia 1961. 7/ End of year, Bulgaria beginning of year. 8/ Poland--1963; Yugoslavia--1964. Calculated on the basis of reported consumption or deliveries of fertilizer to agriculture. 9/ 1964 or 1965/66. n.a. = Not available.

Table 20.--Eastern Europe and Soviet Union: The Socialist sector's share of agricultural resources and output, by country, 1965 1/

Resource or product	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Romania	Yugoslavia	USSR
	Percent							
Land: 2/								
Agricultural	91	89	92	87	14	85	29	99
Arable	89	93	95	87	14	87	15	97
Labor force 3/	96	83	99	96	8	90	9	80
Tractors, physical units 4/	100	100	100	95	87	99	89	100
Livestock: 5/								
Cattle	72	85	65	54	15	53	9	70
of which cows	73	79	59	47	10	38	6	59
Hogs	71	78	61	38	12	56	14	69
Sheep	65	66	70	88	15	52	6	79
Agricultural output:								
Grains	85	88	96	62	12	91	20	98
Potatoes	51	70	91	48	8	51	2	37
Sugar beets	99	99	99	99	12	100	67	100
Meat	58	79	n.a.	n.a.	12	n.a.	25	60
Milk	72	81	n.a.	47	12	n.a.	16	61
Eggs	40	46	n.a.	14	5	n.a.	n.a.	33
Total 6/	76	79	n.a.	56	7	n.a.	21	66

1/ Livestock, resources and output on the private plots of collective and state farm workers and other are not included in the "Socialist" sector. 2/ End of year or midyear 1965. 3/ Share of the agricultural labor force deriving at least part of its income from work in socialized agriculture. Bulgaria, USSR, and Yugoslavia estimated. Soviet studies claim that 40 percent of all labor time expended in agriculture is in the private sector. 4/ End of year; Poland includes agricultural circles. Bulgaria beginning of year. 5/ Hungary--March 1964; Bulgaria--January 1965; Poland--June 1965; Soviet Union, Czechoslovakia, East Germany, Romania, and Yugoslavia--end of year 1965. 6/ Value of gross output. Yugoslavia--1963. n.a. = Not available.

Table 21.--Soviet Union: Indexes of output, incentives, and inputs in agriculture, 1958-66 1/

(1958 = 100)

Item	1959	1960	1961	1962	1963	1964	1965	1966
Major inputs:								
Machinery deliveries:								
Tractors	91	99	117	130	151	140	152	2/176
Trucks	74	65	69	81	68	62	69	2/104
Combines	82	88	108	121	123	122	118	2/137
Fertilizer:								
Delivered to agriculture	104	107	114	128	150	207	255	2/292
Applied on grain 3/	n.a.	167	n.a.	n.a.	308	500	677	807
Capital investment:								
State	93	114	139	156	179	218	236	n.a.
Collective farms	124	111	111	115	120	137	152	n.a.
Total	109	113	124	135	148	176	193	2/218
Land:								
Total sown area	100	104	104	110	112	109	107	n.a.
Grain area	94	95	101	106	107	110	105	103
Wheat area	94	90	94	101	97	102	105	105
Labor:								
State farm employment	107	137	160	167	172	176	187	n.a.
Collective farm employment	98	89	83	80	78	77	76	n.a.
Incentives:								
Collective farm money income	104	102	103	116	121	136	152	2/176
Grain prices received by collective farms 4/	102	105	116	122	119	119	130	n.a.
Output:								
Gross agricultural output, Soviet index	100	103	106	107	99	113	114	2/125
Net agricultural output, USDA index 5/	94	96	101	103	98	113	107	122
Total grain production:								
Soviet "bunker weight"	89	93	97	104	80	113	89	2/127
USDA estimate 5/	82	83	96	96	79	106	86	116
Wheat production:								
Soviet "bunker weight"	90	84	87	92	65	97	78	6/117
USDA estimate	82	74	84	87	64	92	74	120
Soviet Govt. procurements:								
Grain	82	82	92	100	79	121	64	7/131
Wheat	82	73	79	82	54	92	52	7/131

1/ Calculated from data contained in Narodnoe Khozyaystvo SSSR, 1958-65, unless otherwise indicated. 2/ Derived from information in Sel'skaya zhizn', January 29, 1967. 3/ Derived from information contained in Voprosy ekonomiki, No. 9, 1961, p. 108; Planovoe khozyaystvo, No. 1, 1964, p. 16; Sel'skaya zhizn', February 10, 1964; Ekonomika sel'skogo khozyaystva, No. 5, 1966, pp. 63, 87, and 89; Narodnoe khozyaystvo SSSR, 1965, p. 362; and Zemledelie, No. 11, 1966. 4/ Estimated on the basis of procurement price changes. 5/ See other sections of this report. 6/ Estimated. 7/ Sel'skaya zhizn', January 29, 1967; Pravda, October 2, 1966; Sel'skaya zhizn', September 15, 1966; and Kazakhstanskaya pravda, October 7, 1966. n.a. = Not available.

CONVERSION EQUIVALENTS

Pounds per bushel

Wheat and potatoes	60
Rye and corn	56
Barley	48
Oats	32

One kilogram	equals	2.2046 pounds
One centner or metric quintal	"	220.46 pounds
One metric ton	"	10 centners or 2204.6 pounds
One hectare	"	2.471 acres
One acre	"	0.4 hectare
One kilometer	"	0.6 mile

Metric tons to bushels

One metric ton	Bushels
Wheat and potatoes	36.743
Rye and corn	39.368
Barley	45.929
Oats	68.894

Bushels to metric tons

One bushel	Metric tons
Wheat and potatoes	.02722
Rye and corn	.02540
Barley	.02177
Oats	.01452

To convert centners per hectare to bushels per acre, multiply by:

Wheat and potatoes	1.487
Rye and corn	1.593
Barley	1.8587
Oats	2.788

To convert bushels per acre to centners (metric quintals) per hectare, multiply by:

Wheat and potatoes	0.6725
Rye and corn	0.6277
Barley	0.5380
Oats	0.3587

One metric ton of seed cotton = 1.562 bales of 480 pounds.
One metric ton of ginned cotton = 4.593 bales of 480 pounds.

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