



AgEcon SEARCH

RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

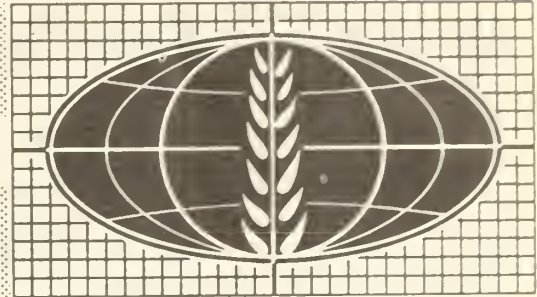
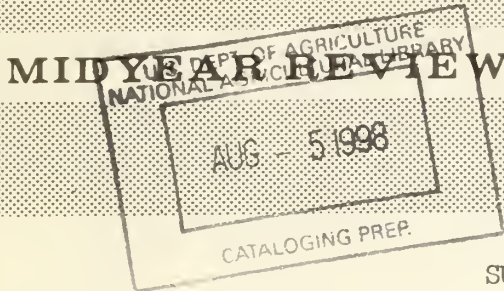
No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

Historic, archived document

Do not assume content reflects current scientific knowledge, policies, or practices.

THE AGRICULTURAL SITUATION IN COMMUNIST AREAS

A281.9
Ag83
no. 277



SUMMARY

The outlook for 1969 agricultural production in Communist areas is generally favorable. Despite difficulties with the fall-sown and early-sown spring crops in many countries, favorable conditions for major spring crops were widespread. Livestock production stagnated and even declined in some countries during the first half of 1969, but a better feed outlook and increases in livestock numbers are expected to boost output the second half.

In the USSR, damage to the winter grain crop, especially wheat, reduced the fall-sown area, but the area seeded to spring wheat and other spring grains was a record. Moisture conditions were good in many areas of European Russia and in the eastern Virgin Lands regions. A grain crop between the 1966 record and the good 1967 crop is expected. Prospects for other crops at midyear generally were good. Output of livestock products was retarded during the first half of 1969 and meat supplies were less than in 1968, but conditions at midyear favored an improvement.

In Eastern Europe, agricultural prospects were fair to good. A record grain crop is possible there if favorable conditions continue. In Bulgaria, Hungary, Romania, and Yugoslavia, the situation is much improved from a year earlier, when drought reduced output. In Czechoslovakia, another good crop is expected. But in East Germany and Poland prospects were poorer with grain production unlikely to reach 1968's record level. In early 1969, livestock inventories were down in many countries. Stagnation or a reduction in meat production was evident in several countries, but an upturn is forecast for second-half 1969.

In Mainland China, the outlook for the autumn harvest, which includes two-thirds of the grain and most industrial crops, was relatively favorable at midyear. Good moisture conditions in the main winter wheat belt also suggest a good harvest. China could achieve or surpass last year's level of wheat output. No plans to increase wheat imports this year have been announced. The outlook for the early rice crop, which yields about 30 percent of total rice production, was not as favorable as that for wheat. Output should about equal last year's poor production.

In North Korea and North Vietnam, weather conditions were better than usual for the grain crops; North Korea could have a record output. North Vietnam had favorable spring rice planting conditions, but production delays were reported.

Cuba's all important sugar crop was reported at 4.7 million tons for 1969, and its government may have difficulty meeting export commitments.

PREFACE

Information on agricultural conditions in Mainland China, North Korea, North Vietnam, and Cuba is limited. This report is based upon weather data and statements about crop conditions contained in Attache reports from Hong Kong, newspapers, journals, and radio reports from the respective countries, and reports by commercial, academic, and other specialists familiar with the countries. This information is evaluated by ERS specialists in light of historical and other information bearing on the agriculture of these countries.

USSR

The Soviet agricultural situation at midyear was generally favorable, but a hard winter and late spring made summer and fall weather more critical than usual.

Winter grain damage: Extreme cold, high winds, and low rainfall during December and January reduced the winter grain area about 6 million hectares from the 1967 and 1968 levels to about 27 million this year. Most of the reduction was in winter wheat and winter barley, a minor crop. The surviving winter grains had developed well going into the winter and received additional fertilizer in the spring. Although the onset of spring was late, growing conditions have been generally good.

The 1969 winter wheat area is about 15 million hectares, compared with an average of 19.5 million in recent years, and winter barley covers 0.5 to 1 million hectares against 1 to 1.5 million in recent years. Winter rye apparently escaped serious damage. The most likely prospect now is that the winter wheat crop will be below the 1968 level, possibly as much as 5 to 7 million tons. 1/

Spring grains: After a late start the sowing of spring grains progressed rapidly. By mid-May the rate of spring sowing matched that of many other years in this decade. A record 98 million hectares of spring grains were sown (about 9 million above 1967 and 1968), including a record 51.3 million hectares to wheat. The barley, oat, and corn areas are all up sharply over 1968 and earlier years. Corn is reported at 5 million hectares compared with 3.5 million recently. The barley area is probably up about 3 million hectares to around 21 or 22 million hectares. On June 19 the total grain area (winter and spring) was almost 125 million hectares, up 3.5 million over 1968.

There are some Soviet regions where growing conditions are clearly unfavorable, especially the North Caucasus, including Krasnodar Krai, and the Middle and Lower Volga. But in a number of very important regions July 1 conditions were good to excellent. In the major Virgin Lands regions--Kazakhstan

1/ Tonnages shown in this report are metric.

and Eastern and Western Siberia--soil moisture has seldom been as good, and these are regions where the spring wheat area was expanded. In the Ukraine and Moldavia soil moisture conditions are also good, in some cases excellent. Certain parts of Central European Russia and the Volga region are also good.

Total grain outlook: Indications are that the Soviet Union will produce a good grain crop, but conditions may change sharply from those prevailing in early July. Favorable summer and fall conditions could push the total up close to the record-breaking 1966 and 1968 levels--over 140 million tons--whereas restrictive conditions could reduce it to the 1964 and 1967 levels--in the 122- to 125-million-ton range or below. 2/

The composition of the 1969 grain crop will be more heavily weighted toward feed grains than in recent years. Current wheat stocks, after the large wheat crops in 1966 and 1968, should be sufficient to overcome even a sizable drop in wheat production in 1969, but such a drop is not now indicated. The additional feed grain production in 1969 should give better balance to USSR grain supplies.

Other crops: Spring growing conditions at midyear indicate good prospects for most industrial crops. Although a cold, wet spring delayed cotton sowing this year, the area seeded is reportedly up 90,000 hectares, 4 percent more than in 1968. Government purchase prices for cotton were increased 15 percent for the 1969 harvest, and this should provide additional stimulus to producers.

The sugarbeet area is reported at 150,000 hectares less than 1968, making the area about 3.4 million hectares. Growing conditions are good at this time. The sunflower seed sowing plan was exceeded and the area will probably be near that of 1967 and 1968, around 4.8 million hectares. Growing conditions in the Ukraine and Moldavia are very good, although they are poor in the North Caucasus.

The potato and vegetable area is probably not much different from that of 1968 and conditions appear to be reasonably good except for the cool spring. Potato output has risen in each of the last 3 years and this year's may be close to the 1968 record. Vegetables should be better than the reduced crops of 1968.

Fruit and grape production, which has risen sharply in the past 3 years, (government purchases advancing from 4.5 to 6.0 million tons) will probably match or exceed that of 1968 because of expanded bearing area.

Hay and forage crops were retarded by the late spring. In European Russia, the Ukraine, and many Eastern regions, spring and early summer weather has been favorable for hay and pastures. Heavy spring fieldwork is, however, apparently cutting into hay and forage harvesting.

Livestock products: Increases in livestock product output were limited in 1968 by the short grain crop in 1967 and last year's summer drought in European Russia. The severe winter further curtailed the livestock sector in early 1969. At the end of March 1969 meat production in state processing plants was 11 percent below a year earlier, and milk products were up 2 percent. Through May

2/ Grain figures for the USSR are USDA estimates of usable grain which are lower than the Soviet reported "bunker weight" figures.

state meat production was still 8 percent behind a year earlier, and milk products equaled the previous May's level.

Good grain supplies from 1968 and the improved pasture conditions this year should improve the livestock situation in the second half of 1969. Livestock numbers likely will increase during 1969. A sizable increase in this year's feed grain harvest should further improve the output of meat, milk, and other livestock products during the last half.

Special 1969 conditions: The severe winter and the shortened growing season have obviously concerned the Soviet Government. The large spring grain area and reduced winter area make the spring crop especially critical. An early fall could pose major problems. Recognizing the critical nature of this year's harvest, the Soviet Government published a special decree in June. It called for speeded up deliveries of harvesting machinery and equipment and provided for special transport and storage facilities and for movement of workers from region to region. In addition, special wage bonuses are provided for rapid harvesting. This decree clearly focuses attention on the Virgin Lands regions where a very large crop is a possibility and where harvesting problems could be serious.

Although this special decree is obviously related to concentrated crop problems this year, it also reflects the fact that supplies of agricultural machinery, fertilizers, transport, and storage facilities have not expanded as rapidly as planned in the past 2 years, or as rapidly as the progress made during 1964-65. The plan for 1969 did not hold out the promise of significant improvement.

EASTERN EUROPE

Grain: Grain crop prospects in Eastern Europe as of the first of July ranged from fair to very good. In the southern countries--Bulgaria, Hungary, Romania, and Yugoslavia--the situation was much better than a year earlier when drought reduced output. Soil moisture reserves were much higher as a result of good rainfall throughout early spring and again during early summer. In Czechoslovakia, another good crop is expected. But in East Germany and Poland, prospects were poorer than in 1968, when grain production reached record levels. Some winterkill problems, a delayed and cold spring, and below-normal precipitation in Poland reduced production prospects.

Less than record crops are forecast for most countries in Eastern Europe, but for the entire region a new production high is probable. Total wheat production is expected to increase about 7 percent over the 1968 level and to exceed 1967's record 25 million tons. The wheat area is slightly larger. Rye output is expected to decline substantially from the relatively good performance of 1968. Early indications suggested an increase of about 7 percent in feed grain production from the 34 million tons in 1968, and a crop as large as the 1966 record of 36.3 million tons is possible. A small increase in combined barley and oats output is forecast. An increase in corn area is estimated; the harvest is likely to be considerably above the drought-retarded crop of 1968, given favorable weather the remainder of the growing season.

The grain outlook in the northern countries is poorer than in 1968. Production of wheat, rye, and feed grains is expected to be lower. Rainfall, temperatures, and soil moisture last fall generally were favorable for sowing winter grains--wheat, rye, and some barley--but winter temperatures were below normal and snow cover was light. In Poland, winter precipitation was especially light, damaging the winter wheat crop. The crop generally was only in fair condition this spring. The spring was late and cold; precipitation continued at below-normal levels. In Czechoslovakia, rainfall was below normal in May, but improved in June. By contrast, late snowfalls and above-normal precipitation hindered spring fieldwork in East Germany. Spring sowing in the northern countries generally was 2 to 3 weeks later than last year. Soil moisture levels on July 1 were below normal in Poland and Czechoslovakia, but above normal in East Germany.

A sharp improvement over 1968 is forecast for grain production in the southern countries. Both wheat and feed grain (predominantly corn) production are expected to jump well above last year's levels. Wheat output could attain the 1967 record level, but feed grains will probably be below the 1966 record. Timely rains in September, followed by a dry October, facilitated sowing and germination of winter grains. Winter precipitation was moderate, except during February, when unusually heavy amounts caused flooding problems in some areas. Grains overwintered well. Spring was late and cold and despite below-normal rainfall, soil moisture levels were about normal on May 1. May was hot and dry, but the situation improved with good rains in June, except in Bulgaria, where drought conditions continued to prevail. Rains in the latter part of June caused harvesting difficulties.

The estimated grain production levels should result in a substantial increase in export availabilities in the southern countries. Romania and Yugoslavia should be able to offer large quantities of corn, around 1 million tons each, and Romania will have considerable excess wheat as well. Compared with the 1968 crop, a 1.5 million-ton increase in total grain exports is possible from the 1969 crop. The southern countries are not expected to import significant quantities of grain.

Compared with 1968, imports of grain by the northern countries are expected to increase by about 1 million tons. Purchases probably will be oriented toward wheat from the Soviet Union, but substantial quantities of feed grains may also be imported. For Eastern Europe, as a whole, net imports of almost 2 million tons of grain are anticipated following the 1969 crop.

Other crops: The cold, late spring delayed planting of other spring crops, but production indications still were indefinite for most crops as of July 1. Soil moisture levels were below normal in Poland, Czechoslovakia, and Bulgaria, but relatively favorable in the other countries. Many vegetable and industrial crops are being grown on irrigated land in Bulgaria, reducing the impact of drought.

The total area of oilseeds in Eastern Europe is down substantially in 1969, primarily because the rape crop suffered heavy winterkill. About one-third of the rape crop in Poland was severely damaged last winter and losses also were sustained in East Germany. Consequently, availabilities of rapeseed and

rapeseed oil for export should be reduced. Prospects for the sunflower crop--the major oilseed in the southern countries--were favorable as of July 1.

Areas of potatoes and sugarbeets can be expected to continue the downward trend, but 1969 data are not available. Production of these root crops is concentrated in the northern countries and the outlook generally was only fair on July 1.

Favorable fruit production prospects have been reported from the southern countries. The late spring hampered early vegetable production.

First cuttings of clover and other hay crops in the southern countries generally were good but late, which may reduce the number of cuts.

Livestock: Inventories of livestock in Eastern Europe generally were down at the beginning of 1969, compared with a year earlier, and the consequences were stagnation or reduction of meat production in several countries.

Pork predominates in the meat production of Eastern Europe. The sharpest reductions in hog numbers occurred in Czechoslovakia, Hungary, and Yugoslavia. Foot-and-mouth disease and anticipated or actual reductions in the feed supply played a role in trimming hog herds. Unfavorable market prices may also have contributed to the decline in Yugoslavia.

Cattle inventories also were down at the first of the year. Yugoslavia again led in the cutback, but fewer cattle also were reported in the other southern countries and in Czechoslovakia. Feed shortages were prevalent in most of these countries, and Yugoslavia encountered difficulties in exporting livestock and meat.

Meat shortages existed in Czechoslovakia and Hungary during the first half of 1969. Czech per capita meat consumption is relatively high, but a leveling of production since 1965 and increased demand due to rapid increases in incomes caused pressure on the meat supply. Basic meat cuts were not affected by a general round of retail price increases in May. But proposals were made to purchase meat from non-Communist countries, as well as the traditional Communist sources, to hold down inflationary pressures. The shortages in Hungary reflected the sharp drop in hog numbers--down about 20 percent at the March census from a year earlier. Meat imports were accelerated and slaughter hog exports reduced to counter the situation.

Most East European countries should experience an upturn in meat production during the second half of 1969. Gains in poultry production especially are expected.

ASIA

Mainland China

A cold winter was experienced in the north and northwest provinces of China, spring rains flooded the Yellow River Valley, a tidal wave inundated crop areas

in the Shantung Peninsula, a cold spring developed in the Yangtze and South China area, and a drought was reported in the southwest province.

Offsetting these extremes were good moisture conditions in the main winter wheat belt of Shensi, Honan, Shantung, and Hupeh provinces. Growers there produce about half of the country's wheat output and a good harvest is expected for the area, with excellent harvests expected in some provinces. Favorable rains since April have also been reported in the northeast and northwest provinces, the major spring wheat belt. This improved outlook for spring wheat and the good prospects for winter wheat in the main growing areas suggest that China could achieve or surpass last year's wheat output if the country's remaining wheat areas have average harvests.

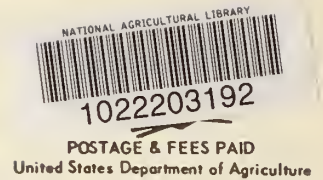
The outlook for the early rice crop, which yields about 30 percent of the total rice production, is not as favorable as that for wheat. Extreme weather variations, similar to those experienced during the early stages of the 1968 crop, were again present this year in the major producing provinces, particularly in Kwangtung. Output should about equal last year's poor production, but may exceed it.

Of the other early harvested crops the least favorable outlook is for rapeseed and sweetpotatoes. The severe winter affected rapeseed in the major growing area of the Yangtze Valley and cold snaps in Kwangtung reduced winter sweetpotato yields.

The brighter side of China's agriculture in 1969 is the improved condition of the autumn harvest, which includes two-thirds of the grain crops and all industrial crops except rapeseed. Drought in Northeast China, where soybeans and coarse grains predominate, was relieved by timely rains in late April and May. Moisture conditions in the North China Plain are better than usual. Good soil moisture in most of the northern provinces favored spring planting of soybeans, cotton, tobacco, and coarse grains. Adequate to excessive moisture was reported in South, Central, and East China where intermediate rice and sweetpotatoes predominate. No serious flooding or waterlogging developed in these areas during the first part of this year. The area of late rice could reach the high levels of 1966.

With average weather the rest of the crop season, the late-summer and autumn harvest of grains and industrial crops could be good. Increased inputs of fertilizers, better cropping preparations and management, tighter discipline, and improved leadership in farming areas should contribute to productivity. The government has recently emphasized that hog numbers should be increased on both collective and private farms. This move suggests some confidence in the availability of feed. The program is designed primarily to increase meat products for export and to improve hard currency earnings. Hogs also represent an important source of fertilizer in China.

Between 4 and 5 million tons of wheat were purchased by China for delivery in 1969. Although some 1.2 million tons of wheat remained uncommitted under the Sino-Canadian wheat agreement that expired July 31, there was no immediate evidence of a new agreement with Canada or of any plans to increase wheat imports this year. Preliminary evidence for 1969 suggests that China's imports of wheat may be guided by price advantages rather than by pressing needs.



OFFICIAL BUSINESS

North Vietnam

This year North Vietnam's spring rice crop was planted under favorable conditions. But mid-July reports indicate unsatisfactory progress in the fall harvested crop, which provides about 60 percent of the total rice crop. The 1969 rice crop is not expected to exceed the 4.3 to 4.5-million-ton level of recent years.

North Korea

Preliminary evidence of weather conditions in North Korea during first-half 1969 shows no adverse weather pattern developing. The more nearly-normal conditions compared with the drought in 1968 suggests that the grain harvest could exceed last year's estimated 5.2 to 5.5-million-ton level. Press reports have indicated that rice planting was completed earlier in some areas than in previous years and that spring fieldwork progressed favorably. Total grain output--prior to last year's record--has reached 5.0 million tons in good years since 1963, but declined to as low as 4.0 to 4.3 million tons in poor years.

Mongolia

Current reports indicate a considerable improvement in the weather pattern for the current crop year as compared with the serious blizzards and drought experienced during the 1967/68 crop year. Plans for 1969 call for planting some 500,000 hectares. Grains will approximate 90 percent of the total crop area. A grain harvest of 360,000 to 370,000 tons is predicted.

CUBA

Cuba's 1969 sugarcane harvest is tentatively estimated at 4.7 million tons, about a million tons under the 1965-68 average. Cane-cutting operations lagged during the year, and Castro described this year's output as "the agony of Cuba." Poor weather in Oriente Province and major shortcomings in the availability and use of labor have been cited as the reasons for the 1969 shortfall. This suggests that Cuba might have difficulties meeting its export commitments. The USSR and other East European countries usually take large quantities, and under the current sugar agreement, signed last year in Geneva, Cuba was granted a 2.1-million-ton annual export quota on the world market.