The Soviet Contract of State Procurement of Agricultural Produce: “Kontraktsiia”

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I. History

The contract of Kontraktsiia was used for some types of crops, e.g. cotton and tobacco as far back as 1935,1 but the basic system was one of compulsory deliveries until the decree of the Council of Ministers of the USSR of June 30, 1958 which substituted a system of contract purchase (Zakupka).2 The modern system of procurement contracts was set by a decree of the CC of the CPSU and of the Council of Ministers of the USSR of February 25, 1961.3 A State Procurements Committee, to conduct dealings with both State and collective farms was set up by a decree of the Council of Ministers of the USSR of July 18, 1961.4 Kontraktsiia is recognised as the proper form of contract in such cases by the Principles of Civil Legislation of the USSR and the various Civil Codes of the Union Republics.5

A feature of the contracts was that a single comprehensive contract was made for all produce for a term of two to five years and then broken down annually into separate contracts. In most basic respects the contract has not changed since those times.6 The next main development was a basic statute on Kontraktsiia January 6, 1966, in 41 points.7 This was replaced, for the next five year period, by the basic statute of October 22, 1970, in 42 points.8 There are a number of differences between the two statutes and it may be interesting to summarise these.

The 1966 basic statute (point 3.2) allowed farms to dispose of over-plan produce if they wished but the new statute (3.2) requires any over-plan produce to be sold to the State and fixes certain actual requirements for production surplus to the strict plan norm. The old statute (6.4) allowed over-plan produce to be disposed of by a separate contract but the new statute (3.1) prescribes a single contract covering plan and over-plan sales. The old statute (6.2) required farms to enter into one omnibus contract with all procurement agencies dealing with...
II. The extent of the State Monopoly of produce

Although compulsory deliveries eo nomine were abolished in 1961, State and collective farms are still legally required to supply the State with the produce which the State Plan requires of them, because this requirement appears in the Model Rules of Collective Farms and in the basic statutes on procurement, such as the present statute. Farms must prepare production plans to meet these demands. The State may also call on produce from allotments attached to State organisations and enterprises.