Agricultural policies in the USSR during the sixty years of Soviet rule have evolved from ones of exploitation to ones encouraging a massive infusion of resources; from policies with a focus on supporting industrialization to policies with a consumer orientation. Further evolution toward a greater emphasis on efficient use of resources is underway.

Changes in Soviet leadership typically have brought substantial modifications of agricultural policy. The groundwork for Soviet agricultural institutions was laid by Lenin with official land nationalization and the creation of collective and state farms. Stalin introduced Soviet-style central planning and established control over the rural sector through collectivization. Central planning and control enabled the exploitation of agriculture via unfavorable terms of trade and the very sparing use of government investments to develop agricultural production potential. Even at lower levels of production, more grain was drawn out of the countryside to further industrialization. Residual earnings for farmer incomes were very low.

Khrushchev accomplished a major increase in agricultural production, partially through an extensive plow-up of new lands in Siberia and Kazakhstan. He also to some degree decentralized agricultural planning and management and introduced a series of price increases that enabled farms to profitably produce some commodities. Farm and farmer incomes improved and investments in agriculture jumped sharply. After 1958, however, progress was stopped short, as Khrushchev turned more to administrative reorganizations and campaigns and became stingy with additional increases in resources.

Brezhnev’s agricultural program introduced at a Plenum of the Communist Party Central Committee in March, 1965, brought a massive infusion of investment resources with a continuously rising share of total investments in the economy directed into agriculture. Prices were increased to enable profitability in more types of production. A great deal more stability and certainty was introduced in agricultural sales plans, but strong incentives were built in for exceeding plan goals. Institutional reforms were introduced which narrowed the differences between collective and state farms and greatly improved the income status of collective farmers. During the last half of the 1960s, agricultural production was boosted upward sharply, and farm and farmer incomes increased rapidly.

Policies for the overall food-and-fiber sector in the Soviet Union became much more consumer oriented in the 1970s, apparently as a result of the production gains of the 1960s, and perhaps also owing to a perceived relationship.
between labor productivity and consumer well-being. The basic principles of Brezhnev’s 1965 agricultural policies largely were maintained during the 1971 to 1975 plan, but production efforts were focused primarily on a program to rapidly increase livestock production to meet consumer demands for meat, milk, and other livestock products. The government sought to industrialize livestock and poultry production through construction of large, specialized production complexes. Policies were adopted to boost feed production, but plans were too ambitious. As a consequence of the commitment to the livestock program and feed shortfalls, the government reversed its agricultural trade policy and resorted to large imports of grain, particularly following poor crops. During this period, the government continued its emphasis on irrigation and drainage projects and adopted a new program for the nonchernozem soil region of North European RSFSR.

The Tenth Five-Year Plan for 1976 to 1980 calls for a smaller rate of growth of investments into agriculture, but puts much more emphasis on efficient use of resources. Efficiency is to be fostered primarily through greater specialization. The lead in specialization is given to a program of interfarm cooperation—focusing particularly on livestock production—and agroindustrial integration. Fertilizer expansion and land improvement continue strong, despite slower growth of some investments. Plans for feed and livestock production appear reasonably consistent and attainable—barring unusually unfavorable weather—but planned livestock product consumption increases are meager and apparently inconsistent with income targets. The long-term agreement to purchase U.S. grain seems to offer several assurances and benefits to the Soviet leadership until grain reserves in the USSR can be increased substantially. If these imports are not needed to cover harvest shortfalls, they may also permit a more rapid increase in livestock production than is envisaged in the plan. Increased budgetary subsidization of meat and milk prices—already high— is likely to continue until efficiency gains are sufficient to hold down advancing costs.

A HALF CENTURY OF SOVIET AGRICULTURE

Agriculture Policies Before Khrushchev

Establishment of Institutions. During the nearly fifty years of pre-Brezhnev Soviet rule, from 1917 to 1964, a large number of institutions were established and policies adopted that shape and constrain current agricultural policies. The dominant new institutions were the almost complete government and collective ownership of resources of production and the central planning of production goals and allocation of materials. The primary dependence on planners’ preferences in economic decisionmaking has been implemented largely by nonmarket forces, while prices on the majority of producer and consumer goods are administratively fixed.

All land formally has been nationalized since the land decrees of 8 No-