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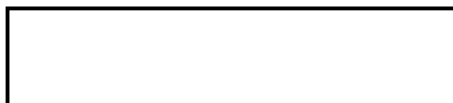
26 OCT 1964

**MEMORANDUM FOR: Deputy Director (Intelligence)**

**SUBJECT: Transmittal of Ninth Monthly Report on Agricultural Prospects in Communist Countries**

1. The attached reports are the ninth in a series of monthly estimates on crop production and prospects in the USSR and other Communist nations. They have been prepared in response to the DCI's request.

2. Since harvests in the principal agricultural countries are now virtually complete, we are discontinuing the monthly series as agreed to by you. If the agricultural situation warrants, monthly reports can again be started in the spring of 1965; in the meantime, important developments can be reported in appropriate OCI and ORR publications.



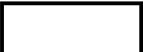
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**OTTO E. GUTHE**  
**Assistant Director**  
**Research and Reports**

**Enclosures: (6)**  
**As stated above.**

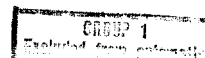
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C-O-N-F-I-D-E-N-T-I-A-L

26 October 1964

ESTIMATED AGRICULTURAL OUTPUT IN COMMUNIST COUNTRIES, 1964

1. USSR

Crop production in the USSR in 1964 definitely will be the best since the banner year of 1958 and will probably exceed the 1958 level. Grain, sugar beet, sunflower seed, and cotton crops were good and the output of vegetables and potatoes was fairly satisfactory.

The harvest of grain crops was practically completed by mid-October, while the harvest of other crops was rapidly nearing completion. Although the area sown to grain was somewhat greater than in 1958, it is tentatively estimated that grain production in 1964 will about equal the 125 million tons estimated for that year. Wheat production is now estimated to have been about 50 percent above the 1963 level of 40 million tons. Grain yields in 1964 were not as uniform as in 1958, which is reflected in lower yields in some areas, and poor harvesting conditions in the new lands' areas of western Siberia and northern Kazakhstan undoubtedly have resulted in excessive trash and moisture content in the harvested grain.

As of mid-October the USSR had already procured about 66 million tons of grain (compared to a previous high of 57 million), which is virtual fulfillment of the 67 million tons planned for 1964. The increase in grain procurement in 1964 is probably attributable to somewhat smaller livestock herds, especially swine, and the desire of Soviet leaders to build up state reserves.

With the expanded acreage planted to sugar beets and sunflowers (the principal oilseed crop), record harvests of these crops are indicated. Procurement of sugar beets most likely will exceed the record 52 million tons made in 1960, but will fall short of the plan of 70 million tons. Soviet officials have indicated that the procurement plan for sunflower seed will be fulfilled. The cotton harvest will probably be somewhat below the record crop of 5.2 million tons harvested in 1963. The procurement of cotton is running behind the 1963 pace.

With a record crop of feed grains (primarily corn, barley, oats, and pulses), good supplies of feedstuffs are being procured, and prospects for improvement in animal husbandry continue to be favorable at this time.

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## 2. European Satellites

It is estimated that 1964 agricultural production in the Satellites not only was below planned goals, but also showed no significant improvement over the mediocre year 1963. Preliminary estimates indicate a total output of grain no better than last year's 43 million tons. Although the production of breadgrains increased slightly over 1963, that of coarse grains declined, and output of both grains remained below the average level of 1957-61 for the third successive year. Thus, Satellite grain import requirements for the consumption year 1964/65 will equal the more than 7 million tons imported in 1963/64.

Official statements on the outcome of this year's grain harvest have been sparse and very general. Only Hungary, of the Satellites importing wheat in 1963, has stated that the 1964 breadgrain harvest would meet domestic needs "under certain conditions." Production of vegetable oil-seeds and hay crops is estimated to be below 1963 in most Satellites. On the other hand, there are claims of good crops of late vegetables, potatoes and sugar beets. The combination of larger acreages and above average yields may result in a record output of sugar beets (and sugar) this year in the European Satellites.

The current livestock situation is far from good, but has improved from that of last year. This betterment, mainly in the numbers of hogs and chickens, has been reflected in higher state procurements of meat and eggs in some Satellites. Shortages of roughage and feed concentrates, however, will make it difficult for most countries to carry current numbers of meat animals through the winter. Prospects in the coming year for any improvement in the production of livestock products appear the brightest in Hungary.

The Satellites -- all except Rumania -- have currently contracted to purchase an estimated total of 4 million tons of grain from the Free World during the consumption year 1964/65. None of this grain has been purchased from the United States. Purchases of grain from the Free World could eventually equal the 5.2 million tons imported in 1963/64 unless the Soviets agree to increase such exports to Eastern Europe.

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### 3. Communist China

The total harvest of grain and tubers in Communist China in 1964 is tentatively estimated to be around 180 million metric tons, or about the same as that produced in 1963. Recent information indicates that the improvement in the early harvest was somewhat less than earlier anticipated. During September, unfavorable weather prevailed over several important agricultural regions for the third successive month, causing a deterioration in the earlier outlook for a bumper autumn (late) harvest. Statements disseminated by official (especially provincial) news media have remained unusually reserved in their assessment of the current agricultural situation.

An editorial in the 21 September 1964 Peoples Daily stated, "at present China's agricultural production level is comparatively low, and its output of food grain and other staple farm products is, in the main, insufficient." This statement is substantiated by China's continued importation of grains. Purchases of grain for delivery in 1964 have reached a record 6.4 million tons.

Recent reports have revealed that damage to the early rice crop in the south from flooding, overcast weather, and diseases, and to the wheat crop in the north from waterlogging, was more severe than previously anticipated. Reports on several provinces in Southern and Central China have implied that early rice yields were little better than the very poor 1963 yields although production was up somewhat because of an expansion in acreage.

Information received through early October indicates that the late harvest may be somewhat below the relatively good harvest of last year. A series of typhoons struck the rich Pearl River Delta during September and early October, dimming the prospects for a good late rice crop in this area. Unusually dry weather prevailed over much of Central and East China for the third successive month. Drought has reportedly affected the intermediate and late rice crops in some areas. In North and Northwest China -- where over one-third of China's autumn crop acreage is located -- crop prospects are poor. Precipitation has been greatly above normal throughout the growing season. Waterlogging is believed to be very extensive in the North China Plain, especially in some of the major grain and cotton growing areas. It is also believed that the sowing of winter wheat is being seriously hampered in many areas. Crop prospects are believed to be fair in Northeast China and good in the important Szechwan Basin.

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4. North Korea

Grain production may be the lowest since 1959 in North Korea. Except for July, precipitation was well below normal throughout the growing season. Conditions were especially dry in the very important west coast agricultural areas. In addition, a typhoon on 31 July apparently caused extensive damage in this same area. North Korea, however, is normally self-sufficient in grain, and it is unlikely that large imports will be required this year.

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5. North Vietnam

As of mid-September, the fall rice crop, which normally accounts for about two-thirds of the annual rice output of the country, was reported to be "rather good." This crop is generally harvested in October and November. Although typhoon damage was at a minimum this year, serious insect infestation has been reported in several areas including the important rice producing Red River delta. Insect damage may seriously affect the otherwise good prospects for the fall rice harvest.

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SECRET SABRE

6. Cuba

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A recent analysis of [ ] on 1964 production at various Cuban sugar mills provides no basis for a change in our earlier estimate of a 3.8 million metric ton crop. The level of 1964 sugar exports also remains consistent with the estimate, although during the eight months from January through August 1964, Cuba exported about 100,000 metric tons more sugar than during the corresponding period of 1963. Preliminary analysis indicates that exports remained at a high level during September. By the end of the latter month, cumulative shipments for 1964 probably were close to the total exported during all of 1963. If production was in fact no larger than last year, very little, if any, sugar will be exported the final quarter of the year. On the other hand, if a significant volume of shipments does occur, it will appear that more than 3.8 million metric tons was produced.

Additional evidence tends to buttress the judgment that Cuba's production of foodstuffs other than sugar has declined during 1964. The Cuban press recently published denials that bread would be placed on the ration list, a development suggesting that the bread supply situation has worsened. The production of bread itself probably has not been reduced since it is made entirely from imported wheat and flour and these imports have not declined. More likely, the demand for bread has increased to offset a growing scarcity of domestically produced foodstuffs. One of the Cuban press statements in fact admitted that lower production of viandas (root vegetables) -- an important component of the Cuban diet -- was partly responsible for the increased demand for bread. The volume of foodstuffs imported during the first three quarters of 1964 has been higher than the corresponding period of last year, but it cannot be determined if the increase has been sufficient to compensate for lower domestic output.

SECRET SABRE