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INTELLIGENCE MEMORANDUM

THE 'NEW COURSE' AND THE LIVESTOCK INDUSTRY
IN THE SOVIET BLOC

CIA/RR IM-397

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FOREWORD

Policies relating to livestock have played a major role in the "new course" which has been charted in varying forms for the USSR, the European Satellites, and the Mongolian People's Republic. The Mongolian People's Republic is included in this intelligence memorandum because its economy is closely related to that of the USSR; the animal industry is probably the mainspring of its economy; and the Republic exports considerable quantities of animal products to the USSR, Communist China, and North Korea.

This memorandum deals with the various actions that have been taken recently by the Soviet Bloc governments with respect to livestock, the probable success of these measures, the probable consumption levels for livestock products, and future trends of livestock numbers and supplies of livestock products.

The over-all margin of error in the estimates made herein is believed to be within \pm 10 percent, but in the case of individual figures it may be somewhat higher.

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CIA/RR IM-397
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THE "NEW COURSE" AND THE LIVESTOCK INDUSTRY IN THE SOVIET BLOC*

Summary

The Soviet Bloc**, excluding Communist China, has officially embarked on a "new course" in agriculture. The stated purpose of this action is to raise the living standards in the various countries. A major initial objective of the new emphasis on agriculture is to improve the economic and technical conditions under which the livestock industry operates. Emphasis on the animal industry is to be expected, since that industry is the main source of those foods -- meats and dairy products -- which are high in protein and fat. The present diet in most areas of the Bloc is dominated by foods high in carbohydrates -- foods such as cereals and potatoes.

By the middle of 1953 the USSR recognized that the livestock industry required special remedial measures. Not only had total populations increased, but the accelerated industrial development throughout the Soviet Bloc was accompanied by increases in nonfarm populations. In the USSR, the per capita availability of meat*** during the consumption year 1 July 1953 through 30 June 1954 is estimated to have been 17.2 kilograms, which contrasts sharply with 70 kilograms per capita in the US for 1953. The 1953-54 consumption level was about 5 percent below the 18.2 kilograms available during 1952-53 and 4 percent below the 1938-39 availability of 18 kilograms. In the European Satellites, the 1953-54 average per capita availability of meat was 24 percent below that in 1952-53 and 34 percent below prewar levels. The Communist regimes apparently recognized that supplies of meat were too short to serve as incentives to greater labor output.

Soviet officials, in speeches in September and October of 1953, announced the "new course", part of which was designed to increase the output of the livestock industry. Adjustments were to be made in delivery quotas, prices were to become more attractive, and a number of other concessions were to be made.

* The estimates and conclusions contained in this memorandum represent the best judgment of the responsible analyst as of 1 July 1954.

** Throughout this memorandum the Soviet Bloc includes the USSR, the European Satellites, Communist China, and the Mongolian People's Republic; it does not include North Korea, Sikang, Tibet, or the Soviet Zone of Austria.

*** The estimates do not include slaughter fats, fat cuts, or bacon.

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The European Satellites, beginning with East Germany in June 1953, also initiated the "new course." Their programs, although similar in certain respects to the one announced by the USSR, were not so comprehensive. The concessions granted and the incentives offered were not so favorable for increasing livestock numbers, total production, or deliveries to the government. In April 1954 the Mongolian People's Republic announced reductions in compulsory delivery quotas and increases in purchase prices for quota and above-quota deliveries. Other provisions similar to the program of the USSR were also made.

Decrees implementing these policy changes were released too late to have any appreciable effect on livestock numbers carried over into the 1953-54 winter. It is possible, however, that the "new course" may result in larger quantities being delivered or sold to the governments, even though total production changes little. Heretofore, large quantities of meat and dairy products have been consumed by the producing groups or sold directly to consumers without going through government channels.

It is to be noted that any buildup of livestock numbers must be associated with increased availability of feed. In most parts of the Soviet Bloc, feed supplies and governmental policies have been factors limiting the numbers of livestock carried on collective farms and by individual households. With sufficient incentives to convince farmers that they can benefit by increasing their livestock holdings, together with increased feed, and improved management, livestock numbers and productivity could increase considerably over a period of years. Within the framework of the implementing decrees, however, and taking into consideration the limited potential availability of feedstuffs as well as the constantly increasing population, it is probable that the animal industries of the various countries of the Soviet Bloc will be able to do little more than maintain the present low levels of per capita availability of its products. It is doubtful whether the prewar levels of meat and dairy products on a national per capita basis in some of the Bloc countries can even be regained, much less increased.

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S-E-C-R-E-TI. Recent Announcements of Policy Changes.

Livestock numbers in the Soviet Bloc sharply declined during World War II, particularly in those parts of the Bloc countries in which war was actually being waged. After World War II there was a relatively rapid recovery in livestock numbers until the early 1950's. Thereafter, unfavorable weather and unpopular measures designed to collectivize farming in the European Satellites and to increase the socialization of the animal industry in the USSR resulted in a leveling off and, in some instances, in an actual reduction of livestock numbers.

It became evident in early 1953 that, in contrast to earlier increases, the numbers of cattle and swine -- the main meat-producing categories of livestock -- were lower than those of a year earlier for the Soviet Bloc as a whole. Estimated livestock numbers in the Soviet Bloc, prewar, and 1952 to 1954, are shown in Table 1.

Table 1

Estimated Livestock Numbers in the Soviet Bloc
Prewar and 1952-54^{a/}

	Million Head			
	<u>Prewar</u>	<u>1952</u>	<u>1953</u>	<u>1954</u>
Cattle and Buffalo	123.2	119.3	116.7	118.5
Swine	119.7	116.1	114.4	116.7
Sheep and Goats	161.6	190.1	191.9	194.8
Horses	35.4	28.3	28.7	28.5

a. These estimates apply to varying periods from 1 January to spring and are based on earlier CIA estimates. Livestock numbers in Poland have been adjusted to a 1 January basis, and buffalo are included for Bulgaria.

With reductions in numbers, a substantial decrease in the 1953-54 meat availability was apparent. As a result all the Soviet Bloc governments, except that of Communist China, successively from June 1953 on,

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announced new programs granting concessions to the individual and collective farmers. These programs were designed to provide incentives for increasing livestock production and deliveries and sales to the government. Communist China has made no public announcements of major changes in agricultural policy.

A. USSR.

In the USSR the actual decrease in cows and total cattle numbers on 1 January 1953, compared with 1952, occurred at a time when the weather and crop conditions had been reasonably favorable and the government was planning on large increases in livestock numbers and output. The Fifth Year Plan (1951-55) had called for very large increases in livestock numbers by 1 January 1956 and in meat and dairy products for 1955. Percentage increases over 1950 were to be as follows: cattle, 18 to 20; swine, 45 to 50; sheep, 60 to 62; horses, 10 to 12; meat, 80 to 90; and milk, 45 to 50.

The situation which the USSR faced in 1953 was, along with the increasing population, a general stagnation in agricultural production. With the sudden downturn in cattle numbers, the Soviet government recognized not only that the Fifth Five Year Plan for livestock (except horses) was unattainable, but also that there might be a future reduction in the supply of meat and dairy products. This recognition brought about a series of decrees, speeches, and other propaganda, beginning in September 1953, all of which emphasized the adverse situation in the livestock industry. New goals for livestock numbers and output of livestock products were issued, and statements of what must be done to improve the conditions of the livestock industry were made. Publicity was given in the central and provincial press and radio, emphasizing both the national livestock situation and the situation in the republics or local areas and specifying the help which would be given.

The 1953 decrees authorized certain definite measures that, if successfully put into effect, would tend to strengthen the animal industry. These measures include the following: (1) a large increase in procurement prices over the previous very low prices for compulsory deliveries and for above-quota sales; (2) provision for increased output of grass and hay and increased availability of livestock feed to collective farmers; (3) elimination of tax on private holdings of livestock; (4) establishment of fixed per-hectare norms for compulsory deliveries and a policy that these norms be adhered to rather than that targets be raised for leading collective farms; (5) increased availability of consumer goods to agricultural producers; (6) provision of

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building materials; (7) improvement of veterinary services; (8) abolition of delivery quotas for certain classes of producers; (9) somewhat reduced rates of compulsory deliveries from individual holdings; and (10) provision of additional help in the form of experts, machinery, and equipment. Machine Tractor Stations were charged with the task of seeing that many of these measures were successfully put into effect.

Large-scale efforts were to be made to increase grain acreage and production by plowing new land and presently unused land. Low-yielding grasslands were also to be used for grain production in many cases. These measures were to provide increased supplies of grain for human consumption and also feed for livestock in both the collective herds and the livestock of collective farmers.

Soviet claims of livestock output generally do not relate to the total quantity of products available for consumption, but only to the output processed by the government and passed through state distribution channels. The decision of the Council of Ministries and the Central Committee of the CPSU "On the Increasing Production of Foodstuffs and Improving their Quality" claimed large increases in the production of basic foodstuffs in the period from 1940 to 1953 and gave plans for 1954, 1955, and 1956.¹/* These claims and plans related to quantities of meat processed by the state. In 1953 this amounted to about 1.8 million metric tons of meat (including poultry)** out of a total carcass weight supply, (indigenous and imported) of 4.3 million tons*** or about 43 percent. Efforts have been and are being made to increase the share of total production that moves through state control. A considerable part of the meat (about 25 percent in 1952), milk, and other dairy products consumed by nonproducers was sold by collective farms and farmers directly to the consumer. An even larger share was consumed on the farm (35 percent for meat in 1952****).

* Footnote references in arabic numerals are to sources listed in the appendix.

** This estimate is based on reported percentage change² and varying bases for 1952.

*** The total meat supply includes beef and veal, pork, mutton, lamb, and goat meat on the basis of carcass weight (including slaughter fats, fat cuts, and bacon).

**** This estimate is based on official Soviet estimates of deliveries of livestock to the state³ and production for the market,⁴ and/or a CIA estimate of total live weight of meat production.

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B. European Satellites.

On 9 June 1953, East Germany became the first Satellite to officially announce a general change in agricultural policy. Hungary followed on 4 July, Rumania on 22 August, Bulgaria on 8 September, Czechoslovakia on 15 September, and Poland in late October.^{2/} The changes with respect to livestock were revealed in most cases after the general policy change had been announced. Although the provisions were similar in many cases to those of the USSR, in no case were the new programs so extensive nor did they provide as much in the way of concessions and incentives as that announced by the USSR. The emphasis on socialized livestock has generally been relaxed, with some concessions being made to encourage an increase in the private holdings of livestock. In Bulgaria, however, the emphasis on socialized livestock continues with little cognizance of, or additional incentives for, livestock raising in the private sector.

Reductions in compulsory delivery quotas for various livestock products have been claimed for all of the European Satellites. East Germany announced reductions of from 5 to 20 percent in the compulsory delivery quotas for livestock and livestock products on 25 June 1953.^{6/} In Czechoslovakia, the compulsory delivery quotas for meat were to be reduced by 13 to 20 percent in 1954.^{7/} Similar adjustments probably were made in other Satellites. Throughout the European Satellites, however, adjustments in delivery quotas favored the collective over the private sector.

Various concessions and incentives which have been applied in different countries and for different products include: (1) increased procurement prices; (2) bonus payments for deliveries and sales to the government; (3) cash advances; (4) incentives for concluding contract arrangements; (5) assurances that delivery quotas will not be raised in the next year or two; (6) increased availability of consumer goods for the rural population; (7) tax reduction; (8) free veterinary aid; and (9) increased credit.

Together with decrees implementing the "new course," new livestock goals have been announced in many of the European Satellites. These new goals are in some cases lower and in some cases higher than were past goals. One of the European Satellites, Bulgaria, together with the USSR, is shifting the planning and accounting data for livestock from January to the late fall.

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C. Mongolian People's Republic.

It was not until March and April 1954 that a new livestock program was announced in the Mongolian People's Republic. This program, in providing for large increases in procurement and purchase prices, the cancellation of those deliveries which were in arrears, and the waiving of certain taxes, was very similar to corresponding sections of the Soviet program. 8/

II. Current Situation.

In the past, Communist programs affecting the livestock industry generally have tended to depress the industry rather than encourage it. Compulsory deliveries of livestock and livestock products at extremely low prices and collectivization are characteristic of past policies. With the "new course" and the decrees implementing it, there appears to be some relaxation of these depressing measures. In general, however, the implementing decrees have tended to fall short of what might have been expected from the original speeches and promises.

In most areas of the Soviet Bloc, increased supplies of desired items have been promised for the rural areas as an incentive for turning over larger quantities of agricultural products to the government. In some cases, particularly with collective farms, sales to the government under contract have been made a requirement for obtaining such items as trucks and building and maintenance materials. Such measures may be increasing sales to the government of products that might otherwise have been consumed on the farm or sold on the free market. It is doubtful, however, that such goods are being made available in sufficient quantity to bring sales to the government to the desired levels.

A. USSR.

Since the number of livestock to be held through the winter is determined primarily by the amount of feed available, the programs implemented by the USSR were too late to have a significant effect on the numbers of livestock carried through the winter or on the total meat or milk production during the consumption year, 1 July 1953 through 30 June 1954. Moreover, the USSR appears to have underestimated the difference in livestock numbers between 1 October and the following 1 January, particularly for hogs, since the reported numbers for 1 October 1953 are already considerably above the October 1954 goal for swine and only 4 percent below the 1954 goal for cattle. A comparison of October and January estimates, 1950-54, and goals for October 1954 and

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January 1956 are given in Table 2.

Table 2

Livestock Numbers, USSR:
Comparison of October and January Estimates, 1950-54
and Goals for October 1954 and January 1956

	Thousand Head			
	<u>Cattle</u>	<u>Swine</u>	<u>Sheep and Goats</u>	<u>Horses</u>
Oct 1950 <u>a/</u> <u>b/</u>	63,100	33,100	117,800	N.A.
Jan 1951 <u>c/</u>	57,200	24,100	99,000	13,700
Oct 1951 <u>a/</u>	64,800	39,600	128,300	N.A.
Jan 1952 <u>c/</u>	58,800	26,700	107,500	14,700
Oct 1952 <u>a/</u>	62,800	43,300	132,500	N.A.
Jan 1953 <u>d/</u>	56,600	28,500	109,900	15,300
Oct 1953 <u>e/</u>	63,000	47,600	135,800	N.A.
Jan 1954 <u>f/</u>	57,700	29,600	112,000	16,200
Oct 1954 Goal <u>g/</u>	65,900	34,500	144,400	N.A.
Jan 1956 Goal <u>h/</u>	67,500	35,000	158,400	15,100

a. Estimates for 1 October are arrived at on the basis of the following 1 January numbers and the estimated disappearance during the last quarter.

b. There has been no goal announced for horses on a 1 October basis.

c. 9/

d. 10/

e. 11/

f. CIA estimate.

g. 12/

h. 13/

The increases that occurred in total livestock numbers from October 1952 to October 1953 are believed to be considerably less than

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the increases claimed for collective and state farm livestock. It is probable that the long-run trend toward increasing the proportion of total livestock that is in the socialized herds continued during 1953 or at least until October. If the recent decrees are carried out, there may be a short-run reversal of the trend toward the increased proportion of state-owned livestock. Collective farmers and other individuals may be given sufficient incentive so that their individual holdings may show some increase in proportion to the total livestock holdings.

The total meat production* in 1953-54 was about 3.9 million tons.** This was slightly less than the 4.0 million tons estimated for 1952-53.** Total milk production in 1953-54 is estimated at about 26.5 million tons, slightly more than the 26 million tons for a year earlier.** On the other hand, the USSR claimed a 12-percent increase in the quantity of meat processed by the government in 1953 as compared with 1952. The total meat processed by the state in 1953 is computed as about 1.8 million metric tons.*** They also claimed a 16-percent increase for sausage products, 3 percent for butter, 16 percent for cheese, 9 percent for whole milk, and 21 percent for condensed milk. Thus, although total meat production, estimated at 3.9 million metric tons, declined below the 1952-53 level of 4.0 million tons, and total milk production increased slightly, the USSR claimed large increases in the quantities of these products processed by state enterprises. This is possible and may well have occurred, since more than half of the total production of meat and milk is distributed and consumed without going through government channels. The proportion of these commodities actually under state control is believed to have increased in 1953 in line with the long-range intention of the Soviet government to increase the state control over the sale of agricultural products.

The average per capita availability of livestock products declined in 1953-54, compared with 1952-53 and with 1938-39. The estimated average availability of 17.2 kilograms of meat per person was 5 percent below the 1952-53 average of 18.2 kilograms and 4 percent below the 1938-39 availability of 18 kilograms as indicated in Table 3. The per capita availability of milk equivalent in 1953-54 was about 77 kilograms per person.**** This is only slightly lower than the 1952-53

* Beef and veal, pork, mutton, lamb, and goat meat is included on the basis of carcass weight.

** These estimates are explained in 14/.

*** This estimate is based on percentage change given in 15// and varying bases for 1952.

**** Not including milk equivalent of creamery butter.

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level, but 43 percent below the 1938-39 estimate of 134 kilograms. Estimated per capita meat and milk availability in the Soviet Bloc, prewar, 1952-53, and 1953-54 is given in Table 3.

Table 3

Estimated Per Capita Meat and Milk Availability
by Areas of the Soviet Bloc
Prewar, 1952-53, and 1953-54

	Kilograms per Year		
	<u>Prewar</u>	<u>1952-53</u>	<u>1953-54</u>
Meat			
USSR <u>a/</u>	18.0 <u>b/</u>	18.2	17.2
European Satellites <u>a/</u>	26.8	23.1	17.6
Communist China <u>a/</u>	11.7	10.3	10.4
Mongolian People's Republic <u>c/</u>			
US <u>d/</u>	56.9 <u>e/</u>	65.3 <u>f/</u>	70.0 <u>g/</u>
Milk Equivalent: <u>h/</u>			
USSR <u>i/</u>	134	78	77
European Satellites <u>i/ j/</u>	99	73	77
US <u>k/</u>	206 <u>l/</u>	238 <u>f/</u>	235 <u>g/</u>

- a. Not including slaughter fats, fat cuts, or bacon. Estimates are taken directly from or based on 16/.
- b. 1938-39.
- c. A complete food balance has not been worked out for this area but the per capita availability is probably considerably above 100 kilograms per person.
- d. Estimates are generally carcass weight basis but exclude lard. 17/.
- e. 1938.

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Table 3

Estimated Per Capita Meat and Milk Availability
by Areas of the Soviet Bloc
Prewar, 1952-53, and 1953-54

(Continued)

-
- f. 1952.
 - g. 1953.
 - h. Does not include milk used for creamery butter production. Estimates for Communist China and Mongolian People's Republic are not available.
 - i. Estimates are taken directly from or based on 18/.
 - j. Not including Albania.
 - k. 19/.
 - l. 1935-39 average.

In addition to the efforts to increase both production and imports of highly desired foods, the USSR has been and is continuing to increase rapidly the production of dried milk. Efforts are also being made to import dried milk, which can be used in cooking or baking to enrich and improve the product. Although it can be reconverted for use as liquid milk, dried milk has not proved to be a highly desired consumer item such as meat, butter, and cheese. Therefore, it appears that the primary purpose which the USSR has in mind with respect to dried milk is raising the protein level of the Soviet diet.

B. European Satellites.

The decrees implementing the "new course" in the European Satellites came late in 1953 and in many cases did not take effect until 1954. They were not, however, extensive enough to have caused any rapid changes in livestock numbers or output. In many cases, the state is furnishing feed to farmers at reduced prices, provided their livestock and livestock products are delivered to the state marketing organizations. Credit has been made more readily available to collectives, cooperatives, and individuals for obtaining livestock, feed, and facilities. In addition, an increased amount of veterinary care is being provided to individual farmers and to group organizations. These incentives were believed to have had only limited success in diverting larger deliveries of livestock and livestock products to the governments from free markets and home consumption.

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In 1953-54 the average consumption of meat in the European Satellites was about 17.6 kilograms per person, about 24 percent below the 1952-53 consumption of 23.1 kilograms and 34 percent below the prewar estimate of 26.8 kilograms. These consumption figures make an allowance for trade movements and changes in stocks. East Germany and Czechoslovakia have been net importers of meat while the other European Satellites have shown net exports.

In 1953-54 the per capita availability of milk equivalent* for the European Satellites (not including Albania) was 77 kilograms, 5 percent more than the 73 kilograms consumed in 1952-53 but 22 percent less than the prewar estimate of 99 kilograms.

C. Communist China.

Communist China has done little to encourage the livestock industry. The government has issued propaganda relating to the need for sanitation and improving the feed supply for livestock. The aid which the government is giving has been limited largely to credits and veterinary assistance. Although an educational campaign together with veterinary assistance can gradually improve the efficiency of the animal industry, it is a program which has small results in the short run. On the other hand, the collectivization drive in China may have an adverse effect on livestock numbers, particularly draft animals. Experience in the other Satellite countries indicates that animals are often slaughtered excessively by the peasants under conditions of intensified collectivization.

While widely established delivery norms for slaughter livestock or other livestock products do not appear to have been established, the government obtains quantities of such products through purchase. It is probable that the government is able to obtain these products at a relatively low price, since in many areas the government is the only effective buyer of livestock products which the Chinese peasant may wish to sell. There are many areas where the government uses its control over consumer goods to obtain livestock products.

D. Mongolian People's Republic.

The population of the Mongolian People's Republic is primarily engaged in livestock production. The strategic value of agriculture in this area is the export of slaughter animals to the USSR. This livestock

* Not including milk equivalent of creamery butter.

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is slaughtered primarily at Ulan-Ude, which has one of the largest meat-packing plants in the USSR.

In 1941, livestock in the Mongolian People's Republic totaled 27.5 million head. 20/ Figures released prior to 1954 indicated that livestock numbers in 1949 were about at the 1941 level. 21/ In connection with the announcements of the new program for livestock and new livestock goals, however, failures have been admitted, and in early 1954 it was stated that the 1941 level had not yet been reached. 22/

A 1954 goal has been announced calling for 23.3 million head 23/, with the prewar level to be reached by the end of 1957. 24/ Either livestock numbers have decreased sharply since 1949 or the 1949 figures were false. In either case, livestock numbers are considerably below the prewar level in a country that was not directly affected by war. It is probable that large numbers of livestock were exported to the USSR during World War II, which may have resulted in low livestock numbers in the middle and late 1940's. It may be that government restrictions, a lack of sufficient incentives, and large exports have continued to hold down livestock numbers.

III. Probable Results of the "New Course."

Both short-run and long-run effects of the "new course" on livestock numbers and output of livestock products in the Soviet Bloc must be considered. Although the following remarks do not constitute an estimate of the maximum levels that may be obtained nor embody a concept of needed or desired levels of production, they forecast the nature of changes in production and consumption that are most likely to occur. Underlying the forecast is a consideration of such factors as weather and crop conditions, feed supplies, governmental programs relating to collectivization, compulsory delivery and price conditions, availability of consumer goods, and management practices.

A. Test of Success.

If the programs implemented by the USSR, the European Satellites, and the Mongolian People's Republic are successful in increasing the level of livestock production, the earliest time that significant changes might be evident would be the winter of 1954-55. The livestock numbers carried through the winter could be increased considerably at the expense of livestock slaughter.

It is over a longer period of time that the real test of the success of the livestock programs must be made. The programs can be

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judged successful only if, over a period of 5 to 10 years, the average per capita consumption of livestock products is increased to significantly higher levels than those prevailing at the present time.

B. Probable Trends.

To fulfill the promises of increased availability of livestock products, the total production of meat and milk must increase at a faster rate than that at which the population is increasing. This can be done through increasing livestock numbers and also by increasing the productivity per animal. Throughout most parts of the Soviet Bloc, feed supplies and governmental policies regarding delivery quotas and prices have been factors limiting livestock production. With adequate feed supplies and sufficient leeway and incentives, the farmers may be convinced that they can benefit by increasing their livestock holdings. Over a period of years greater livestock holdings will result in greater production.

It is believed that sufficient changes have been made in the USSR for the collective farmers to find it advantageous to increase their livestock considerably. However, some of the peasants believe that this is only a brief respite and that soon they will again lose their livestock.

If the production of feed grain is significantly increased in the next 2 or 3 years, production of pork should be increased. The effect on milk, beef, and veal production is less definite, since some roughage-producing areas may be taken out of production. Although these may be replaced by other feeds, it is doubtful whether the production of milk, beef, and veal will be significantly affected.

In the European Satellites, there have not generally been sufficient concessions or incentives to materially affect the level of livestock production. If sufficient feed supplies become available, livestock numbers may be increased from present levels (which are relatively low, due partly to the poor feed supplies in 1952 and 1953).

Certain long-term management practices and government aids could increase livestock production throughout the Soviet Bloc. These include improving the general care and attention given to livestock and providing for increased quantity and improved quality of feed. Such measures could result in greater numbers of livestock, and increased production per head and per unit of feed.

It is likely that Communist programs will be more effective in increasing the amount of products delivered or sold to the state than in

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increasing livestock numbers or output. It is in the supplying of the increasing nonfarm population with high-protein foods that the Communist governments have experienced great difficulties. Many of their programs are incentives for turning over larger quantities of meat, milk, and wool to the government. Although the quantities of meat and dairy products distributed by the various governments may increase considerably, the livestock industries of the Soviet Bloc will be able to do little more than to maintain the present level of consumption for the generally increasing populations.

IV. Conclusions.

There is considerable uniformity in the government programs relating to livestock in the USSR, the European Satellites, and the Mongolian People's Republic. Although there are variations in these programs from country to country, common to all have been a lessening of coercion and an increased use of incentives to obtain the desired results.

The main factors motivating the changes in agricultural policies seem grounded in both economic and political considerations. The supply situation was deteriorating since agricultural output had stagnated and in the livestock field was in danger of declining. On the other hand, demand increased because increasing nonfarm populations needed high-protein foods for their general health and productivity. From a political point of view, the supplying of high-quality foods would increase the prestige and hence the stability of the various regimes.

A great deal of publicity has been given to the governmental efforts being made to increase both production and imports of highly desired foods. In addition to this, the primary purpose which the USSR apparently has in mind with regard to the increased production and importing of dried milk is to improve the protein level of the diet. Although certain amounts of dried milk may be stockpiled and used by the Armed Forces, the efforts to increase supplies of this commodity indicate a real concern on the part of the Soviet government over the health and productivity of the people, rather than just a concern over satisfying demands for highly desired commodities.

The programs thus far instituted may result in small increases in livestock numbers in the USSR and Mongolian People's Republic, but slower progress is expected in the European Satellites. Increases in total output of livestock products will lag behind increases in numbers. In the USSR, most of the European Satellites, and in the Mongolian People's Republic, incentives and possibly the use of more subtle methods of coercion than used in the past may lead to increasing the quantities of

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livestock products turned over to the state. Although the "new course" will probably result in larger supplies of livestock products being made available to the nonfarm populations, it appears likely that the average per capita consumption will not materially increase over present levels within the foreseeable future.

To the extent that there is concern over the prestige of the governments and the nutritional level of the people, a lack of Soviet intentions to wage aggressive warfare in the next few years is indicated. Increased numbers of livestock serve as reserves of meat. It is doubtful that production, either actual or "on the hoof," will be increased enough in the next 5 years to increase significantly the Soviet capabilities to engage in aggressive warfare.

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APPENDIX

SOURCES AND EVALUATION OF SOURCES

1. Evaluation of Sources **25X1A8a**

Information from the [REDACTED] Foreign Documents Division of CIA was utilized extensively for material translated or extracted from Soviet sources. However unreliable Communist sources may be, it is from these sources that most of the current information on livestock in the Soviet Bloc originates. Such information is temporarily accepted or rejected only after it is examined in the light of other available information, checked with estimates for previous years, and compared with analogous situations in areas of the free world.

Information obtained from the US Department of Agriculture was helpful and reliable. Other sources of information that were utilized are included in the list given below.

2. Sources.

Evaluations, following the classification entry and designated "Eval.," have the following significance:

<u>Source of Information</u>	<u>Information</u>
Doc. - Documentary	1 - Confirmed by other sources
A - Completely reliable	2 - Probably true
B - Usually reliable	3 - Possibly true
C - Fairly reliable	4 - Doubtful
D - Not usually reliable	5 - Probably false
E - Not reliable	6 - Cannot be judged
F - Cannot be judged	

"Documentary" refers to original documents of foreign governments and organizations; copies or translations of such documents by a staff officer; or information extracted from such documents by a staff officer, all of which may carry the field evaluation "Documentary."

Evaluations not otherwise designated are those appearing on the cited document; those designated "RR" are by the author of this report. No "RR" evaluation is given when the author agrees with the evaluation on the cited document.

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10. [REDACTED]
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12. Sel'skoye Khozaystvo, 26 Sep 1953. Eval. RR 3.
13. CIA/RR PR-28, op.cit., p. 31.
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18. CIA, ORR Project 21.147, op.cit.
19. US Department of Agriculture, Agricultural Marketing Service,
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