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INTELLIGENCE BRIEF

POSSIBLE REVISION OF SOVIET GRAIN STATISTICS

DIRECTORATE OF INTELLIGENCE
Office of Research and Reports

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W A R N I N G

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Recent articles in the Soviet press and a change in the titles of tables on production of grain in the 1963 yearbook on the Soviet economy (published in February 1965) strongly suggest that Soviet officials are preparing to revise downward their statistics on production of grain and possibly of some other crops. To date, the extent to which the statistics may be revised downward is not known. CIA estimates of production of grain since 1957 have been below Soviet claims by as much as 25 percent and have averaged 19 percent below official claims for the 1958-63 period. In contrast, CIA grain estimates for the crop years from 1950 to 1957 were, with the exception of 1956, within 5 percent of Soviet claims. The differences that have developed in recent years are believed to be due largely to a change in 1958 in the Soviet method of calculating production. In addition, there probably also has been some statistical falsification.

1. Evidence of Possible Revision in Official Statistics

A downward revision by the new leaders of statistics on production of grain would not be unique in the USSR. Malenkov in August 1953 stated that it was "necessary to put an end to the incorrect practice whereby the results . . . in production of grain and other crops were assessed not by the actual harvest but by the apparent harvest yield [biological yield]." If for no other reason, it was politically necessary for the post-Stalin leadership to disassociate itself from the unrealistically high yields claimed during Stalin's time. Consequently, the statistics on production of grain published during Khrushchev's regime were identified as barn harvest.

The pragmatic approach to agriculture displayed to date by Khrushchev's successors strongly suggests that the new leadership will attempt to correct the statistical distortions in reporting production of grain permitted since 1958. It is almost certain that the delay of some 3 to 4 months in the release of the 1963 yearbook was a reflection of the intense controversy that this problem must have engendered. By a footnote indicating as much and by the omission of "barn harvest" (ambarniy urozhay) in the titles of the tables, it is made clear in the 1963 yearbook that data on production of grain is on the basis of "bunker weight" (bunkerniy vyes). Bunker weight is the weight of the grain as it is unloaded from the bunkers or hoppers on the harvesting combines or stationary grain thresher and thus includes excess moisture, trash, weed seeds, dirt, and the like. The barn harvest, on the other hand,

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A number of articles have been published in the Soviet press criticizing the use of the concept of bunker weight in determining the level of grain production. Before the release of the 1963 yearbook, an article in Red Star of 10 February 1965 calling for "objective and honest statistics" and speaking out against the "glossing over of shortcomings and the camouflaging of one or another negative side" of Soviet life and the "hiding of truth from the masses" obviously reflected the attitude of the leadership. On the same day a state farm official caustically commented in Ekonomicheskaya gazeta on the inability to make "pancakes from grain impurities." This official stated that even though the barn harvest already was known, the state farm was required by the Central Statistical Administration to report crop production "on the basis of bunker weight -- that is, in the overstated condition." More recently a state farm director from Tselinograd writing in Selskaya zhizn' on 28 February 1965 pointedly questioned the use of bunker weight as a measure of the yield and production of grain: "The bunker weight contains impurities and moisture which sometimes exceed 10 to 15 percent of the harvested grain. Nevertheless, in the annual report our farm includes everything which is taken from the combine. . . . Whom are we deceiving?"

2. Comparison of CIA Estimates and Official Soviet Statistics on Production of Grain

Differences between CIA estimates and official Soviet statistics on production of grain have varied widely over the years (see the table). Before 1958, CIA estimates of Soviet production of grain made during the respective crop years were, with the exception of 1956, within 5 percent of the Soviet statistics that were published in 1959. The relatively large difference in 1956 is attributable to excessive postharvest losses resulting from the lack of adequate storage facilities. Soviet statistics on production of grain for the years 1950-55 and 1957 were accepted by CIA analysts because the divergences from the CIA estimates were within the range of error of the estimates. Beginning in 1958, however, CIA estimates have been below Soviet statistics by as much as 25 percent and have averaged 19 percent below official Soviet claims for the 1958-63 period.

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Comparison of Estimated and Official Statistics
on Production of Grain in the USSR
1950-64

<u>Year</u>	<u>Production (Million Metric Tons)</u>		<u>CIA Estimates as a Percent of Official Claims</u>
	<u>Official Claims</u>	<u>CIA Estimates</u>	
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1951	79	80	101
1952	92	92	100
1953	82	83	101
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1955	107	103	96
1956	128	115	90
1957	105	100	95
1958	141	125	89
1959	126	100	79
1960	134	100	75
1961	138	115	83
1962	148	115	78
1963	111	95	86
1964	N.A.	120 to 125	N.A.

3. Causes of the Difference

The divergences that began in 1958 between CIA estimates and official Soviet statistics on production of grain cannot be attributed to a deterioration in the availability of information used by CIA in making its estimates. On the contrary, CIA currently uses much more detailed and systematic information on weather for all of the important agricultural areas in estimating production of grain in the USSR than was available to CIA in the period 1950-57. Furthermore, CIA has access to much more information on crop conditions at various times during the growing season and on progress in seeding, harvesting, and state procurements. Also of some use to CIA in making estimates of production of grain is a vast amount of data on production and yields of grain on a regional basis that has been published by the USSR since 1958.

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The large differences between CIA estimates and Soviet statistics during the period 1958-64 are believed to be attributable to at least two factors: (a) to a change in the method of calculating production of grain, and (b) to an upward "political" bias -- that is, statistical malpractices including falsification. Reference has been made in a Soviet publication (G. Z. Kuparadze, Spravochnik ekonomista, Tbilisi, 1960, p. 164) to instruction No. 1684 of the Central Statistical Administration dated 23 April 1958, which apparently gave a new method for calculating production of grain. This instruction has never been made available to the West, although a specific request for a copy was submitted to the USSR.

In the reports submitted by collective and state farms, the grain crop is reported in terms of the bunker weight. Before 1958 the rayon components of the Central Statistical Administration apparently made the necessary adjustments to the statistics on production of grain received from the farms in converting the data to a barn harvest basis. The new method of calculating production of grain may have been the use of the bunker weight as equivalent to the barn harvest.

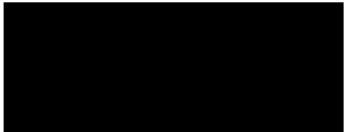
The fact that the difference between CIA estimates and official statistics is greater than the 10 to 15 percent that has been attributed by the Soviet authorities to the use of bunker weight rather than the barn harvest concept strongly suggests that there also is considerable "political" bias or falsification contained in the Soviet statistics. Following the plenary session of the Central Committee in January 1961, widespread statistical malpractices were revealed in all parts of the USSR. Since 1957, Soviet administrators and farm managers have been confronted with impossible assignments. At times, Khrushchev insisted personally that officials adopt unrealistic pledges and then made it clear that their careers depended on meeting these pledges. Many officials reacted by falsifying records. Opportunists and glory seekers contributed further to a wave of statistical falsification. Unscrupulous individuals, in hopes of rapid promotion in the Party or government apparatus, undertook ridiculously high pledges, some of which subsequently were fulfilled by padding the statistical reports. The checking of reports during this time was complicated by the dissolution in 1958 of the machine tractor stations (MTS's), which had been an effective statistical control mechanism. The remaining or unexplained difference between CIA estimates and official statistics suggests that "political" bias may account for as much as 10 percent of Soviet claims since 1957.

The grain situation in the USSR in recent years provides further evidence of a distortion in Soviet statistics on production of grain. That Soviet grain statistics have been falsified and/or reported in terms that did not deduct for excess moisture, trash, and the like was convincingly documented by the necessity of importing into the USSR almost 12 million tons of wheat and flour between September 1963 and July 1964. Considering normal consumption requirements in the USSR for food, exports, and livestock feed, these imports would not have been necessary if official statistics had not been greatly inflated.

4. Outlook

The present Soviet leadership appears to be preparing the Soviet public for the publication of a new series of statistics on production of grain. The downward adjustment in Soviet statistics may take into account only the inflation caused by the use of the bunker weight concept rather than the barn harvest concept. In this event the amount of the upward "political" bias contained in the old statistical series will remain as "chaff" in the revised series. It would be in the interest of the new leadership, however, to remove also any "political" bias during the revision of the statistical series on production of grain. For the Soviet public a lower series on production of grain will be only official documentation of what was already well known -- flour is not available in Soviet stores, simply because grain has not been produced in the amounts claimed for recent years.

Analyst:



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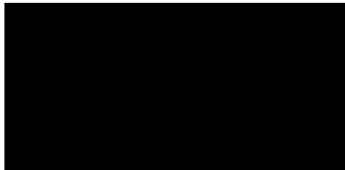
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195	CGS/HR/Ops, 1G81, Hq.	26 Mar 65		
196-230	Filed in St/P/C	"		
196	R/AG for Mr. Olson, Agriculture	31 Mar 65		
33, 35, 46, 4	Rec'd in St/P/C	31 Mar 65		
197, 4, 198	See attached memo	1 Apr 65		
75	Rec'd in St/P/C	5 Apr 65	25X1A	
199	[REDACTED]	8 Apr 65		
35, 64, 175, 32, 75, 207-230	Records Center	25 May 65	25X1A	
33	[REDACTED]	25 May 65		
73	Rec'd in St/P/C	3 Jun 65		
40	Rec'd in St/P/C	18 Jun 65		
73, 200-206	RC	17 Jul 67		

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102 - 103	DDI/CGS/HR, Room 1G81, Hq.	
104	DDI/RS, Room 4G39, Hq.	
105 - 107	OSI	25X1A
108	OBI	
109	DD/S&T/SpINT	
110 - 111	OTR/IS/IP, Room 532, Broyhill Bldg., 1000 Glebe (1 - OTR/SIC)	
112	NPIC/CSD/REF, Room 1S518, [REDACTED]	
113	Commandant National War College, Ft. Leslie McNair, Attn: Classified Records Section, Room 26, National War College Bldg., Washington, D. C.	
114 - 115	Assistant Secretary of Defense, ISA, Room 4D825, Pentagon	
116 - 154	Defense Intelligence Agency, DIAAQ-3, A Building, Arlington Hall Station	
155 - 158	USIA, IRS/A, Room 1002, 1750 Pennsylvania Avenue, N. W., Attn: Warren Phelps	
159 - 170	State, INR Communications Center, Room 6527, State Dept. Bldg.	
171 - 172	Dr. Neilson Debevoise, NSC, Room 365, Executive Office Bldg.	
173 - 174	Frank M. Charrette, Agency for International Development, Chief, Statistics and Reports Division, Room A-204, State Annex #10	
97 & 175 - 230	St/P/C/RR, Room 4F41, Hq. (held in St/P/C, 26 Mar 65).	
231 - 280	Records Center	

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1 April 1965

MEMORANDUM FOR: Chief, Dissemination Control Branch, DD/CR
FROM : Chief, Publications Staff, ORR
SUBJECT : Transmittal of Material

It is requested that the attached copies of CIA/RR CB 65-18,
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be forwarded as follows:

State, INR Communications Center,
Room 6527, State Dept. Bldg.
Suggested distribution for
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Attachments:
Copies #197 - #198 of CB 65-18
cc: CGS/RB

ACTION COMPLETED

The dissemination required by
this memorandum has been completed.

BY: *NOB*
Date: *2 April 65*

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