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Bachelor Thesis Abstract

Agricultural self-sufficiency in Russian federation

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Summary: The aim of the thesis is to analyse the situation in agriculture in Russia federation. The theoretical part describes the history of development of Russia's agriculture since the 19th century. Then it deals with the accession to the World Trade Organization and agricultural support and support of beginner farmers in Russia. The practical part focuses on the degree of self-sufficiency, the intensity of production, the consumption per capita, production per capita of potatoes, pork meat and poultry meat and trade coverage of potatoes. The obtained data are analysed and compared with the data of central Europe countries. The document says that the Russian Federation achieves self-sufficiency in all three products. Self-sufficiency of meat increases gradually, whereas the trend is opposite for potatoes.

Keywords: Agriculture, support, Russia, problem, self-sufficiency, intensity of production, production per capita, consumption per capita, trade coverage.

Objectives and Methodology:

Objectives:

The purpose of this work is to analyse the prerequisites of the current situation, the policy and support of the agriculture of the Russian Federation in selected agricultural commodities. The thesis looks on the problem of self-sufficiency in the selected products from the long-term perspective (1990 – 2017). This work will answer the questions: „Do the selected commodities have high self-sufficiency ($\geq 100\%$)? Is the state able to feed itself?” and if no – „Is the commodity with low self-sufficiency supported by the state? “

Methodology:

The theoretical part focuses on the history of Russia's agriculture since the 19th century, the WTO accession, the support of the government, and problems of Russian agriculture.

The practical part will analyse the degree of self-sufficiency of selected commodities (potatoes, pork meat and poultry meat), which are chosen due to the wide prevalence among the Russian population from the period since 1990 till 2017 and based

on the results, the thesis will conclude, whether low self-sufficiency products get any additional national support or not.

Among self-sufficiency calculations, the thesis uses time series analyses, observation, synthesis, induction, deduction and analogy. The following formulas are used for calculations:

1. Rate of self-sufficiency = (domestic production / consumption) × 100 (%) (Lohar, 1981)
2. The intensity of production = number of animals (pieces) / population of the country.
3. Per capita meat production = carcasses production (kg) / population of the country.
4. Trade coverage = (export / import) * 100 (%) (OECD, 2005).

Conclusion:

The aim of the thesis was to analyse the situation of agriculture of Russian federation. The theoretical part described the history of Russian agriculture since 19th century. The situation of Russian agriculture before revolution was unstable because of unsuccessful reforms. Nevertheless, Russian Empire was one of the biggest exporter in the world. The government tried to stabilize and increase the productivity of agriculture with the help of New Economic Policies (NEPs) and it had positive consequences up to a certain time. The collapse of the Soviet Union, the subsequent crisis and wars destroyed the economy and agriculture. The state managed to get out of the crisis and join the WTO. The accession to the World Trade Organization brings both advantages and new commitments: for example, Russia's commitments on the maximum amount of support for agriculture in the WTO since 2013 till 2020 must be 1,58 trillion rubles. Russia has a developed system of support for agriculture and beginner farmers. Anyone who wants can take a loan or win in a competition for subsidies to start his own agricultural business.

The data about agriculture in Russia were taken from databases and publicly available resources. The research used secondary sources of information mainly from Federal State Statistics Service and FAOSTAT.

The practical part of the thesis examined the self-sufficiency, intensity of production, production per capita, consumption per capita of selected commodities and factors that influence their change. Mainly are used calculation methods, particularly calculation of self-sufficiency, intensity of production, production per capita, consumption per capita and trade coverage. Chosen commodities were pork meat, poultry meat, potatoes, because these commodities are the most popular among Russian population. Explanatory variables (the determinants) were production in thousand tons (thou. tons), number of pigs, poultry or population (heads), yield of a crop (in tonnes / ha), self-sufficiency in %, production per capita in pcs/head, consumption per capita in kg/head and trade coverage in %.

It was found that all three commodities have more than 100% rate of self-sufficiency by the year 2017. The rate of potato self-sufficiency is 134%, the rate of pork meat self-sufficiency is 101% and the rate of poultry meat self-sufficiency is 106%. It means that production of these commodities completely covers the consumption of the population. It was also proven that significant political event in the country directly affect intensity of production and consumption. Comparison of intensity of production of poultry meat and pork meat, production per capita of pork meat and poultry meat of Russia and countries of central Europe showed that the value of production does not always depend on the quantity of resources. The success of production directly depends on the correct policy and stable situation in the country.

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