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THE FUTURE OF AGRICULTURE

*Technology, Policies
and Adjustment*

PAPERS AND REPORTS

FIFTEENTH
INTERNATIONAL CONFERENCE
OF AGRICULTURAL ECONOMISTS

*Held at Parque Anhembi
São Paulo, Brazil*

19–30 AUGUST 1973

OXFORD
AGRICULTURAL ECONOMICS INSTITUTE
FOR
INTERNATIONAL ASSOCIATION OF AGRICULTURAL
ECONOMISTS
1974

SPECIAL GROUP M

Chairman: —

Rapporteur: —

Opener: E. Reisch, *W. Germany*

Development of Collective and State Farm Systems

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U.S.S.R.

THE agriculture in tsarist Russia was one of the most backward in Europe. About half of the total land area belonged to a small number of landlords, monasteries and churches. More than 8 million hectares of the best land belonged to the tsar's family. Despite the vast land resources, millions of peasants in the country either suffered from land starvation or were landless. Poverty and hunger were constant companions of the village. Two-thirds of the peasants were poor and permanently in bondage to landlords and kulaks. One-third of the peasant households had neither horses nor implements and about 15 per cent had no crop land. The principal implements were the wooden plough or sokha. The iron plough was considered to be the most advanced implement. The grain yield in 1909–13 averaged 6.9 metric centners per ha. Feudal and serfdom relations had been maintained in Russia up to the October Socialist Revolution, and in some regions patriarchal and feudal system had been dominating. The class antagonism became aggravated. Mass revolts of peasants against landlords and tsarist autocracy for the abolition of landlord tenure became more and more frequent.

The Great October Socialist Revolution was the first in the history of mankind to solve the agrarian problem in the interests of working peasantry. The Second All-Russian Congress of Soviets (8 November 1917) which adopted the Peace Decree, also passed the Land Decree. More than 150 million hectares of the former landlord, tsarist and monastery lands were turned over by the state to the peasants free of charge. Land nationalization, expropriation of landlords and capitalists and Soviet state's assistance to the peasants, created the conditions necessary for the restoration of agriculture. However, those measures were not sufficient to ensure the required growth of productivity in the village and increase of farm production.

V. I. Lenin warned that if we sat on small farms as of old, although being free citizens working on free land, an inevitable ruin would threaten us.

Lenin's co-operative plan determined the general course along which the Communist Party led the peasantry to a new life. This required a hard, long-term organizational and educational work among the peasants.

The Soviet state took all the necessary measures to assist peasants in their efforts to start common-land cultivation, supplying them with farm implements, seeds, livestock and granting credits. The peasants, given a practical proof of benefits from collective mechanized land cultivation, started to organize various forms of co-operatives and voluntarily joined the collective farms (Kolkhozes). Unification in collective farms became a radical social upheaval in the life of peasantry.

Kolkhoz is a collective farm, a co-operative organization of peasants united on a voluntary basis for common large-scale agricultural production with public means and labour. The collective farm operates on publicly owned land which is made over to it free of charge for an unlimited time. The collective-farm land cannot be sold, bought, or rented. The economic basis of the collective farm, apart from the state ownership of land, includes public buildings, installations and equipment, tractors, machinery, working and productive livestock, produce, cash and other property.

The objectives and aims of the collective farm, principles of organization, income distribution and other basic principles and rules of its life, are governed by the Model Rules of the Collective Farm. According to the rules, all the U.S.S.R. citizens who have reached the age of sixteen and wish to participate in public production with their labour, can join a collective farm. Applications to join or leave the collective farm are considered at a meeting of the collective-farm board, and its decision is approved at a general meeting of collective farmers. Collective farmers receive Labour Books of established form. The Rules of the Collective Farm lay down the rights and duties of its members.

Management of the collective farm is democratic and active participation of farmers in the solution of all problems is encouraged. The most important problems in the life of the collective farm are considered by the highest managerial organ—the general meeting of collective farmers or their representatives. The meetings are held at least four times a year. Between the meetings the collective farm is managed by the board and its chairman. The chairman of the collective farm, who is at the same time the chairman of the board, and the board's members are elected for a three-year term at a general meeting of the collective farmers by open or secret ballot. The same applies to team and other unit leaders—in the respective production collectives.

The board of the collective farm is an executive and administrative body which is accountable to the general meeting of the farm. For the control over production and financial activities of the board and managerial personnel, the general meeting also elects an auditing commission for a three-year term. The Collective Farm Councils, established according to the decision of the Third All-Union Congress of Collective Farmers, contribute to the further development of the collective-

farm democracy. These are elected public organs of collective farms consisting of experienced collective-farm chairmen, advanced farmers, agricultural specialists and heads of organizations and institutions connected with agriculture. The objectives of such councils are to work out recommendations and consult on more rational utilization of the reserves to achieve the growth of public production.

The collective farm operates according to the plan adopted by the general meeting of farmers. The plan provides for application of the most progressive forms and methods of organization of production and management, fulfilment of the state purchases plans and contracts and meeting the material and cultural requirements of collective farmers. The state establishes for collective farms fixed plans for the purchases of farm products for several years and meets the farm's requirements for machinery, fertilizers, chemicals for plant protection, etc., according to their orders. The state renders a great assistance to collective farms in land improvement, control of plant and animal pests and diseases, prevention of land erosion, etc., on the account of the state budget. The collective farm can participate on a voluntary basis in the activity of inter-farm or mixed state-and-farm enterprises or organizations. The collective farm has the right to make contracts with industrial enterprises for setting up workshops, producing various commodities with its own means during off-peak seasons. It may independently establish various forms of industrial production.

The collective farm operates on the principles of self-support. Its income is used first of all for a guaranteed payment of labour, capital investments and formation of public consumption funds, the provision of services, cultural development, social security and insurance of collective-farm members, material incentives, aid to farmers, with due consideration for requirements and economic possibilities. Social consumption fund is a portion of the consumption fund which is used by the state or by the collective farm to satisfy the requirements of members of society or of the collective. This fund provides for the granting of scholarships, reduced-cost treatment in sanatoria, free day nurseries and kindergartens for children, etc.

The produce in kind is distributed so as to create the seed fund, fulfil the state purchases plans, repay the credits given in kind or sell the products to the farmers to pay their labour, to procure feedingstuffs for the farm's livestock, create the necessary funds including insurance and carryovers, public nutrition, supply of children institutions, assistance to pensioners, invalids and those farm members who need such an assistance. At least once a month the farm's board pays a part of farmers' wages in cash, and in kind depending on the availability of products. The collective-farm members get additional pay for increases in yields and animal efficiency, as well as for decreasing costs of production. These pay increases may be as high as 50 per cent of the value of production over the plan and 25 to 40 per cent of the economies obtained. Incentives are also provided for quality performance of urgent and important tasks. Labour on the

collective farm is paid according to the quantity and quality of work performed. Piece-rate, time-work or bonus systems of labour payment are applied. Collective-farm members are granted leave with pay, old age or disability pensions, allowances in case of loss of the breadwinner, and women are entitled to maternity benefits.

To improve the life and cultural conditions of farmers the collective farm builds houses of culture, clubs, libraries and other institutions, establishes kindergartens and nurseries and raises the professional skills of its members.

The principal production units of the collective farm are teams, livestock farms, plots and sections. Land plots, tractors and farm machinery, buildings and other means of production are allotted to such units. Their activities are based on the internal self-support.

A collective-farm member has the right to own a dwelling-house, supplementary husbandry, productive livestock, poultry, bees and small farm implements. A personal plot of up to 0.5 ha and—in case of irrigated land—up to 0.2 ha is allotted to a collective-farm household. The personal plot area and the number of livestock to which each household is entitled are determined by the general meeting of collective farmers.

By the end of 1971 there were 32.8 thousand collective farms in the country with the total unshared funds equalling 64.2 milliard roubles compared with 31.0 milliard roubles in 1960. The value of the gross agricultural output produced in 1971 amounted to 34.5 milliard roubles (prices of 1965). A collective farm has on the average 439 households, 6.2 thousand hectares of farm land including 3.2 thousand hectares of arable land, 63 tractors (in terms of standard 15 h.p. machines), 1332 head of cattle including 426 cows, 1684 pigs and 1684 sheep and goats.

The collective-farm system has stood the test of time. The experience of the Soviet Union and other socialist countries has demonstrated that collectivization of agriculture is the only way to happiness and prosperity for peasantry. It has consolidated the union between workers and peasants and provided real conditions for the participation of peasants in the management of public production, in the solution of state problems.

A great role in the development of productive forces in rural areas was played by the state farm. The state farm is a large agricultural enterprise based on the state ownership of means of production. The first state farms were established soon after the October Socialist Revolution and from the very beginning they have become model agronomic centres and an example of high culture in large-scale socialist farming and animal husbandry. They rendered a great assistance to collective farms in cultivating land and harvesting. On some state farms special tractor fleets and platoons were set up on the basis of which first machine and tractor stations were established later.

The economic and organizational foundations of the state farm are as follows:

—the state ownership of land (belonging to the whole people),

buildings, machinery, livestock, plantations and other state assets;

—production organized on a planned basis and combination of centralized management with economic independence;

—application of self-support principles, utilization of scientific and technological achievements aimed at reducing the production costs and ensuring high production profitability;

—moral and material incentives for workers in the development of public production;

—one-man management with a broad participation of public organization and of the whole working collective.

By the end of 1971 there were 15,502 state farms in the country. The basic production funds reached 43.2 milliard roubles, and the value of the gross agricultural output—25 milliard roubles (prices of 1965). An average state farm possessed 20.2 thousand hectares of farm land, 6.1 thousand hectares of crop land, 1932 head of cattle including 672 cows, 1200 pigs, 3598 sheep and goats and 126 tractors (in terms of 15 h.p. units).

Establishment of collective and state farms in the U.S.S.R. ensured the growth of agricultural produce and labour productivity. The gross agricultural output in 1970 was 3.1 times higher than that of 1909–13 with the proportion of workers engaged in this branch reduced from 75 per cent in 1913 to 29 per cent in 1971. During this period the labour productivity in agriculture, taking into account the reduced working day, has grown more than five-fold.

Now nearly all the grain and sugar beet and a substantial part of other agricultural products are produced on collective and state farms. The proportion of state purchases of grain, raw cotton, sugar beet and sunflower comprised in 1972 100 per cent, that of potatoes 87 per cent, vegetables 94 per cent, livestock and poultry 87 per cent, milk 96 per cent, eggs 90 per cent and wool 85 per cent.

The formation of collective and state farms ensured the rise of material well-being and cultural level of the peasantry. Since July 1966 a guaranteed monthly cash payment for labour has been introduced on the U.S.S.R. collective farms similar to that existing on the state farms. Collective farmers are entitled to pensions. In the period from 1966 to 1970 incomes of collective-farm members increased 46 per cent, and that of state farm workers 36 per cent. By 1970 the real farm income per worker of collective farmers, including payments and benefits received from public funds, had grown on the average twelve times compared with the real incomes of working peasants in 1913.

An important landmark in the development of the U.S.S.R. agriculture was the truly scientific and realistic programme of the further development of this vital branch of economy and creation of stable economic conditions, stimulating the upsurge of agricultural production. As a result of economic and organizational measures taken, of efforts made by the working class and all agricultural labour, the rate of increase in the

volume of production in 1966–70 was almost double that of 1961–65. The rate of increase in the productivity of labour was also twice as high as during the preceding five-year period. For the first time the increase in the productivity of labour during the past five-year plan was somewhat greater than in industry, construction and transport. The Five-Year Development Plan of the U.S.S.R. Public Economy (1971–75) provides for the growth of the average annual agricultural output by 20–22 per cent, compared with the previous Five-Year Plan. Concrete measures have been developed for the further intensification of agriculture and raising the productivity of farming and animal husbandry on the basis of mechanization, electrification of production, application of chemicals and land improvement which will ensure the growth of labour productivity by 37–40 per cent and of labour remuneration by 30–35 per cent.

The current Five-Year Plan will be an important step forward on the way to more complete utilization of the advantages of large-scale production of collective and state farms. Modern collective and state farms are mechanized, economically strong and highly marketable enterprises, based on public and collective forms of ownership. They feature the principles of mutual assistance and support in the common solution of important production and social problems. Such principles create very favourable conditions for the still more intensive development of the productive forces in rural areas and growth of labour productivity.

The search for ways of raising the efficiency of agricultural production has led in many areas to the unification of efforts and farm resources for setting up inter-farm enterprises and complexes on a co-operative basis. Inter-farm enterprises are established using the means of the participating farms. Their budget is formed from shares of collective or state farms, deductions from profits resulting from the economic activity and other cash sources. The inter-farm enterprises use a part of their income to establish development, material incentive, socio-cultural and reserve funds.

The relations between the share-holder and inter-farm enterprises are governed by the rules and contracts, which provide for material interest of the co-operative participants according to the share of each. The inter-farm enterprises are managed by meetings of the farm representatives which are their highest managerial organs.

During the periods between meetings such enterprises are managed by the council of the district complex. The operational management is performed by the director. The council is elected at a meeting of farm representatives, so is the auditing commission. They also confirm the appointment of the director.

At present there are more than 5 thousand inter-farm enterprises, organizations or complexes in the U.S.S.R. whose participants are nearly all the collective farms and over 5 thousand state farms. Each collective farm participates on the average, in two inter-farm organizations. Among such organizations 3200 are for construction or installation, which for the last decade have increased the scope of building and installation operations more than seven-fold. By 1971 their cost reached 3127 million

roubles.

The inter-farm co-operation allows the centralization of finance, material and labour resources of farms for construction of optimal size, well-equipped, specialized enterprises for production or processing of farm products and establishment of large-scale functional services in the field of construction and transport or for solving other important problems.

The inter-collective-farm co-operation, evolving in different branches, contributes to the creation of the respective material and technical basis, introduction of industrial methods of production and turning of unprofitable branches into highly lucrative ones.

A higher efficiency of capital investments in inter-farm co-operation is attained by reducing the period of construction and speedy development of production capacities with high operation indices. The inter-farm co-operation ensures a high material incentive of all participants according to the share of each. It is based on a voluntary principle and guarantees the full juridical and economic independence of partners.

An analysis of work of common enterprises and complexes makes possible the establishment of qualitatively new patterns in inter-farm co-operation.

The first one lies in the fact that now, along with collective farms, state farms take an active part in such complexes. Each third state farm participates in an inter-farm complex. The broad participation of state farms in inter-farm co-operation has resulted in the establishment of enterprises and complexes, based on the ownership of state and collective farms and this undoubtedly represents a higher stage of socialist co-operation.

The second pattern in the development of inter-farm co-operation lies in the fact that, while in the early stages, farms united in order to combine efforts for improvement of the material and technical base of construction and subsequent introduction of progressive technology in the production of particular commodities, which means that horizontal co-operation was prevailing, the present stage is characterized by ever increasing co-operation in combining the production of farm products with their processing to obtain finished commodities.

With the development of agro-industrial enterprises and complexes, relations between the inter-farm co-operation and other branches of the public economy are being expanded and consolidated.

The third regularity in the development of inter-farm co-operation consists in its expansion into the non-production sphere. This is attributed to the consolidation of the farms' economy, which permits the deduction of substantial sums from capital investments for socio-cultural and housing purposes, as well as for organization of public services and amenities and reconstruction of villages.

The major condition for the steady rate in the upsurge of agriculture and increase in the output, lies in its industrialization. And this is the general law of development of modern public production, which governs the trend for agriculture and industry to converge jointly, producing

means of production, equipment and materials for agriculture.

This trend is especially pronounced in the fusing and unification of agriculture with processing industry, and frequently with marketing of finished products. Such a unification has a great effect in the application of scientific and technological progress for the production of food products.

The large-scale concentration of production of marketable commodities on collective and state farms presents important prerequisites for processing the raw material where it is produced.

The necessity for combined enterprises emerges from the particular conditions and characteristic features of agriculture. The pressing need for co-operation between agriculture and the processing industry and then for establishing, if required, vertically integrated enterprises evolves in branches with a high level of concentration of production, in branches whose product is used as a raw material for processing industry, or where processing constitutes an integral part of the single technological process.

Substantial increase in the area and production of industrial crops, vegetables, melons, potatoes, fruits and grapes urge closer ties between branches of the single technological process of growing, processing and marketing of finished products.

The most common organizational forms for combining agriculture with industry are:

1. Agro-industrial enterprises.
2. Agro-industrial combines.
3. Agro-industrial complexes.

Recently mixed scientific-production complexes based on the unification of science with agro-industrial complexes have evolved.

Agro-industrial enterprises of a state-farm-factory (collective-farm-factory) type represent specialized enterprises, combining the production of farm products, processing and marketing. This is the simplest and most common form of combining the agricultural and industrial production in one place. At present there are over 500 agro-industrial enterprises in the U.S.S.R. including 286 for grape-growing and wine-making, 47 for essential crop and 59 for potato growing and processing. One of the major prerequisites of the establishment of agro-industrial enterprises was a high level of concentration of production of the raw product and availability and feasibility of construction of relatively small processing factories.

The process of agro-industrial integration exceeds the scale of individual enterprises. Scientific and technological progress and further expansion of agro-industrial co-operation lead to more sophisticated organizational and economic forms of combines and complexes.

Agro-industrial complexes represent a form of organization of combined production, based on technological, organizational and economic integration of self-contained specialized agro-industrial enterprises, which ensures the production, processing and frequently marketing of finished or semi-finished products. The enterprises integrated into such a complex are juridically, economically and operationally

independent. The complex sets up single functional services intended to be self-supporting, and maintain their relations with the enterprises on the basis of single plan and contracts. Agro-industrial complexes possess big financial, material, technical and labour resources and thus they can introduce industrial technology at the branches in a shorter period. They are able to allocate labour within the complex and more effectively utilize the processing capacities.

Experience has demonstrated that the development of agro-industrial complexes is an important means for raising the efficiency of production in agriculture and industry.

SPECIAL GROUP M

No Report prepared