THE MAIN TRENDS IN THE DEVELOPMENT OF THE AGRO-INDUSTRIAL COMPLEX IN RUSSIA IN THE 1990-S

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Abstract

The article summarizes the historical experience of reforms in the agro-industrial complex of Russia in the transition period of the 1990-s, on the basis of which recommendations for further development of the industry are proposed. The author concludes about the crisis state of the agro-industrial complex of Russia in the mid-1990-s, caused by the long underestimation of the importance of this sphere in the socio-economic life of the country. At the beginning of perestroika, agriculture was still considered by the party-state leadership as the main source of material and demographic resources for the development of heavy industry.

Keywords: industry, agriculture, history, people, society.

I. INTRODUCTION

At the beginning of the 90s of the last century, radical economic transformations began in the agro-industrial complex of Russia. The development of the agro-industrial complex after 1990 was characterized by the formation of a multi-layered structure in the agricultural sector, the transition to market principles of product distribution, the formation of a free market of material and technical resources. By the beginning of 1999, there were 27 thousand large and medium-sized enterprises in the agricultural sector, of which 6 thousand (21%) retained the status of collective farms and state farms, 21 thousand (79%) were transformed into partnerships, joint-stock companies, agricultural production cooperatives and other enterprises, peasant (farmer) farms were formed. The problem of land ownership occupies an important place in the state agrarian policy. The share of the public sector in the agrarian economy is no more than 10%, the rest, most of it falls on enterprises based on private ownership. Agricultural organizations produce 44.8% of products. In 1997, 26.9 thousand agricultural organizations of various organizational and production forms were engaged in agricultural production in Russia (state farms, production cooperatives (collective farms), limited liability companies, joint-stock companies, faith-based partnerships, etc.), 278.6 thousand peasant (farmer) farms; about 16.4 million families run personal subsidiary farms (of which 14 million families in rural areas), 22.1 million families have garden and vegetable plots. These are agricultural organization that differ in the size of land use, production volumes and production relations. The number of agricultural enterprises is gradually decreasing, their size is decreasing; but they are still large agricultural firms.
II. METHODOLOGY AND RESULTS

The methodological bases of the study were dialectical methods of cognition, relying on a wide range of sources and literature on the problem. The research is based on the principles of historicism and objectivity, critical interpretation of the source, systematization and comparative analysis of data, depoliticized approach to history, scientific impartiality. The article used methodological principles most fully set out in the works of leading Russian agricultural historians. In general, the methodological bases of the work were the problem-chronological principles, which allows analyzing facts and events in a dialectical way.

A new phenomenon in rural life in the 1990s was the revival and development of peasant (farmer) farms, but since the second half of 1995 their number has been decreasing, with the exception of the North-Western, Volgo-Vyatka and North Caucasian regions.

Changes in the structure of land use caused by the abolition of the state monopoly on land, liberalization of pricing and other measures of market reform did not lead, however, to an increase in agricultural production; on the contrary, there was a decrease. Moreover, the decrease was more significant in livestock farming than in crop production. As a result, the intra-branch structure of agricultural production was transformed: the share of livestock farming decreased to 51.4% in 1996, compared to 64.1% in 1990. This is explained by the fact that, compared to crop production, livestock farming is more labor-intensive and less profitable.

It should also be noted that, unlike collective farms, production volumes in the individual family sector did not decrease, but even increased, which caused an increase in the share of household farms in the structure of agricultural output. In 1990-1996 this share increased by 20% and amounted to 46%.

The share of private subsidiary farms (PSF) of the population is especially high in the production of potatoes (90.2%) and vegetables (76.8%); somewhat lower, but significant - in the production of meat (51.6%), wool (45.6%), milk (45.9%), eggs (31.2%). The growth of production of these products in household farms partially compensated for the reduction in their output by agricultural enterprises. A certain sectoral division of labor is formed between these categories of farms - production of labor-intensive products is concentrated in LPH.

Until 2013, Russia relied increasingly on imports to satisfy domestic demand for milk and dairy products; the government’s import substitution strategy in this segment of the economy affected market supplies, especially of high-end products.
Farms of all categories produced less output per 100 agricultural lands in 1996 than in 1990: by 37% for the industry as a whole, crop production by 15%, and livestock production by 50%. Crop yields and productivity of livestock and poultry were declining.

The decline in agricultural production and the income of most Russian families has led to a reduction and deterioration in the structure of food consumption. In 1990-1996, only potato consumption increased, while the consumption of other products decreased. Moreover, if on the eve of the reform (in 1990) families of workers and employees (mainly urban families) consumed more milk and especially meat than families of collective farmers (rural families), by 1996 the situation had reversed, which is explained by the large role of private subsidiary farms, whose potential has increased, in the food supply of rural families. The deficit of domestic food has to be filled by importing food products from abroad. The share of food imports, which reached 24% in the USSR in 1980 and decreased to 16% in 1990, has started to grow again in Russia. 24% in the USSR in 1980 and decreased to 16% in 1990, in Russia it started to grow again. In 1991-1994 it amounted to 28%. In the following years it decreased slightly. The country has to spend considerable foreign exchange resources on food defense.

At the same time, the structure of imports has changed significantly. Starting from the 70s, the USSR was one of the largest importers of grain (mainly fodder grain) in the world. In the 1990s, instead of importing fodder, Russia began to import finished livestock products, as domestic livestock farming turned out to be less competitive than crop farming; imports of meat and, especially, poultry became particularly large.

The share of imports in food resources in 1997 compared to 1992 increased from 8 to 30% for meat and meat products, from 12.9 to 38% for animal oil, from 31 to 34% for vegetable oil, and from 60 to 63% for sugar. The share of imported products in the food supply of large cities and industrial centers is especially high (about 70% in Moscow). From 1990 to 1992, prices for realized agricultural products increased almost 14 times (for crop products - 30 times, livestock - 9 times), and prices for industrial products - 34 times and services - 19 times. A noticeable worsening of price parity occurred in 1994 after the liberalization of prices for fuel and energy resources. In 1996-1997, the parity index also declined, although to a lesser extent. The share of producers in the retail price fell, for example, of milk from 83% in 1991 to 33% in 1995, of bread from 32% to 11%, of beef meat from 84% to 49%, while the cost of producing and bringing sugar to consumers was on average 3-5 times higher than the cost of sugar beet as a raw material. In 1997, agricultural enterprises were able to cover only 50% of production costs at the expense of proceeds from the sale of products. 21.6 thousand agricultural enterprises (81%) ended the year with a loss; in 1992 this number was 5%. The profitability of agricultural production fell from 50% in 1990-1993 to minus 20% in 1996. In 29 regions the share of unprofitable farms exceeded 90%. In order to maintain production and survive, most farms had to cover the minimum necessary costs by increasing debts and reducing labor costs; and to develop barter transactions.

The diagram of the distribution of keywords in the database Web of Science, associated with agrobiotechnology in crop production, %. Of the 178 analyzed Russian and foreign publications on crop production technologies, the following areas are of the greatest interest: 53.4% precision farming, remote sensing, 3D crop modeling, robotization; 16.5% - agroecology and agroforestry system; 7.9% - organic waste, peat compost; 6.7% - hydroponics, aeroponics, vertical greenhouses; 6.2% - cell selection, genomic selection, agricultural genomics; 6.2% - soil remediation, screening of microorganisms, adaptive landscape system of agriculture; 1.1% - plant protection products, nutrient solution, integrate pest management.
The volume of capital investments in agricultural production from 1990 to 1996 decreased more than 18 times. In estimated prices in 1991 it was estimated at 2.1 billion rubles, which is 3.3% of capital investments in the country's economy. At the very beginning of the reform (1990-1992), priority was given to the development of peasant (farmer) farms. Kolkhozes and state farms, as well as personal subsidiary farms run by 14 million families in the countryside, were left without modernization. As a result, rural society was split into two opposing camps - migrants and those who left collective farms, on the one hand, and those who remained in collective and state farms, on the other. The state had to find considerable resources to support farmers cut off from the collective and state farm infrastructure. This policy could not bring long-term success; since the second half of 1994, there has been a weakening of the farmer movement.

III. CONCLUSION

In modern conditions, the dependence of the state of the domestic agro-industrial complex on macroeconomic factors - inflation rates, exchange rate and its dynamics, the general state of the financial and credit system - is increasing. Thus, before the August crisis of 1998, despite the introduction and then consecutive increase of import tariffs, the production and the share of domestic foodstuffs in the domestic market were rapidly decreasing. After the crisis, as a result of the devaluation effect, the situation on the domestic agrarian and food market improved sharply without any additional budget expenditures to support agriculture, and in the absence of structural reforms. Import tariffs on a number of food products were even reduced, and a number of domestic goods became competitive on the world market. According to experts, foreign investments are mainly directed within vertically integrated food chains: agricultural processors and traders create their own raw material base through them. This state of affairs indicates low efficiency of functioning of agrarian markets in the country. Nevertheless, the flow of foreign investment in agriculture allows increasing its efficiency.

By the end of the period under study, privatization of the food and processing industry, wholesale and retail trade had been completed. During the reforms of the 1990-s, a developed market infrastructure emerged to replace the former food distribution system. Along with large trading companies, thousands of small and medium-sized private intermediaries functioned to ensure the promotion of products to consumers.

However, the reform of the agro-industrial complex in the 1990-s cannot be recognized as completed. Gross violations of the objective regularities of the development of the national economic complex committed in the 1990-s immediately manifested themselves in the country's economy. The decline and destruction of agricultural production as a strategically important industry led to the crisis state of many industries and destabilization of the economy as a whole.

REFERENCE LIST


ОСНОВНЫЕ ТЕНДЕНЦИИ РАЗВИТИЯ АГРОПРОМЫШЛЕННОГО КОМПЛЕКСА РОССИИ В 1990-Е ГОДЫ

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Аннотация

В статье обобщен исторический опыт реформирования агропромышленного комплекса России в переходный период 1990-х годов, на основе которого предложены рекомендации по дальнейшему развитию отрасли. Автор делает вывод о кризисном состоянии АПК России в середине 1990-х годов, вызванном длительной недооценкой значения этой сферы в социально-экономической жизни страны. В начале перестройки сельское хозяйство по-прежнему рассматривалось партийно-государственным руководством как основной источник материальных и демографических ресурсов для развития тяжелой промышленности.

Ключевые слова: промышленность, сельское хозяйство, история, люди, общество.

СПИСОК ЛИТЕРАТУРЫ


