

## TERRITORIAL STRUCTURES OF AGRICULTURE AND THEIR CHANGES

### STRUCTURI TERITORIALE ALE AGRICULTURII ȘI SCHIMBĂRILE ACESTORA

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**Abstract:** The factors affecting the territorial organization of the agriculture in the Far East of Russia are considered. A role of natural factors in the territorial organization of agriculture is evaluated. The natural factors limiting the possibilities of agricultural activities are presented. The territorial differences of the agricultural branch in the 1990s are considered. The changes in volumes of output of basic kinds of agricultural products for a period of reforms are shown. Variations in the forms of land ownership and forms of the agricultural production organization are considered. The reasons of negative changes in the agriculture of the Russian Far East are identified.

**Key-words:** Far East of Russia, agriculture, territorial structures, natural factors, climatic conditions, agropotential, transformation of agricultural branch, reform, structure of production, volume of production.

**Cuvinte cheie:** Orientul Îndepărtat al Rusiei, agricultură, structuri teritoriale, factori naturali, condiții climatice, agropotențial, transformarea ramurii agricole, reformă, structura producției, volumul producției.

#### INTRODUCTION

At the beginning of the 2000, a development of the agro-industrial complex (AIC) was recognized as one of the priority national project in Russia<sup>2</sup>.

The agriculture of the Russian Far East has not so far become the important line in the development of the economic complex – its share in the regional product structure in 2008 reached only 5.6%. At the same time, a level of social stability in this great and strategically important region depends on its condition.

The state of the region's agrarian sector depends on the variety of the economic, historical and political factors (in the region, country and world) as well as on management quality.

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<sup>2</sup> It is expected that the comestibles problem in the XXI century will be on par with the energetic and environmental ones.

## METHODOLOGY

The study was performed with the use of statistical, analytic, retrospective, predictive and cartographic methods. As the information basis of the study, the statistical data of regional offices of RF Goskomstat, data of the National Population Census in 2010, reference and cartographic materials, library materials of appropriate organizations, official sites of the Administrations of the Far-Eastern regions, materials on the Development Strategies of the appropriate districts and towns, Far East and Baikal region to 2025 etc. are used.

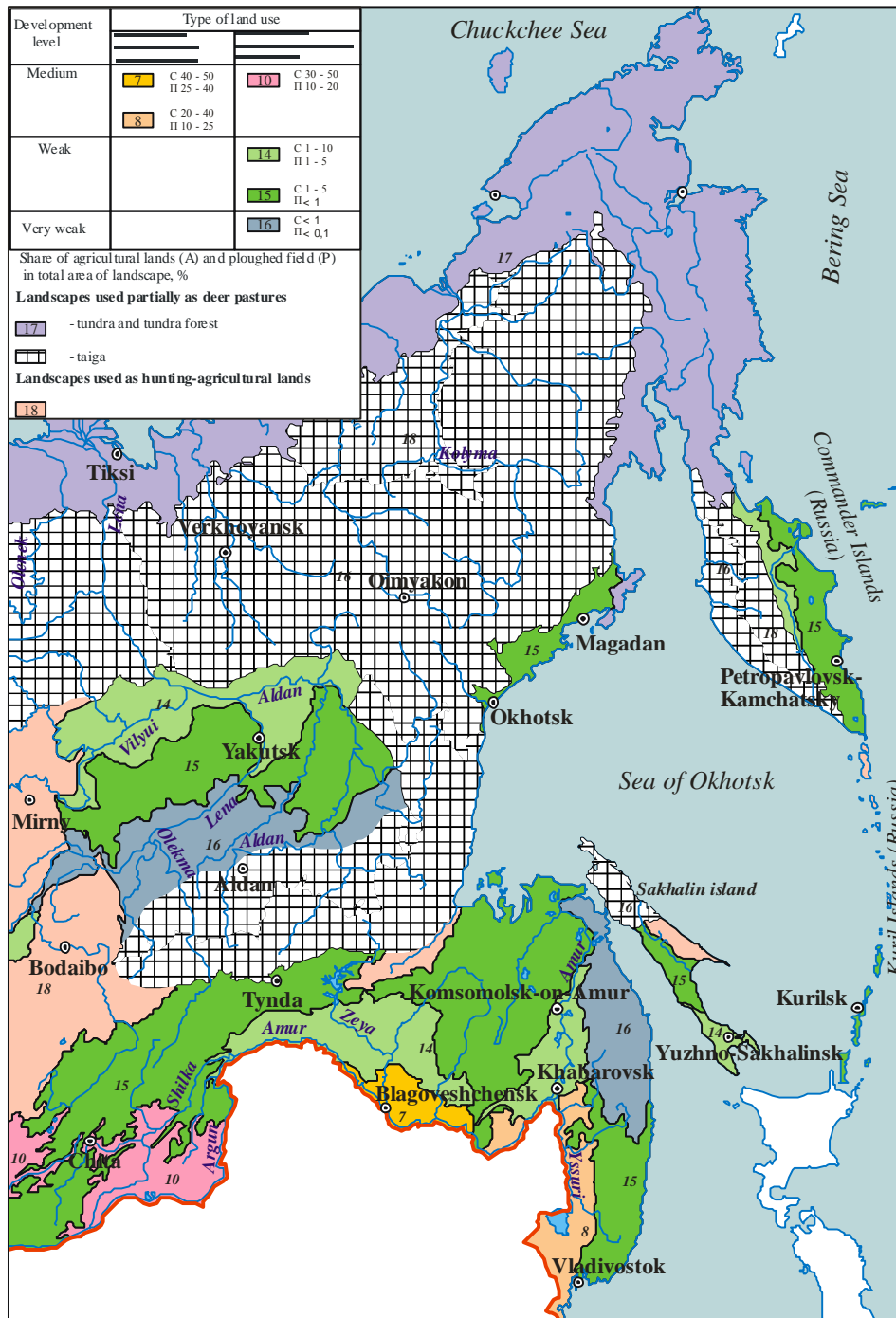
## NATURAL FACTORS OF THE TERRITORIAL ORGANIZATION OF AGRICULTURE

The geographically differentiated land and climatic resources and conditions remain the most important natural factors of the territorial organization of the agriculture in the Far East — they are of particular importance for developing the agriculture in the regions of new development and low developed regions.

A large and diversified influence on the territorial organization of the agriculture in the regions is exerted by a relief. Nearly all of the agricultural lands and rural settlements are located in the even lands the absolute elevations of which are lower than 200-m mark. Even in the mountainous areas, they are situated in the plain territories of intermontane valleys.

Now, in the Russian Far East, there are 7.9 million ha of the agricultural lands including 2.5 million ha of ploughed field (Primorsky Krai and subjects of the Far-Eastern Federal District – FEFD, in 2008). As a whole, the level of the agricultural development of the Far-Eastern lands is not high – in 2008, the crop acreage per capita within this great, underpopulated territory with an area of 6 million sq. km was less than that for the country as a whole (0.2 ha and 0.54 ha respectively) (Regions of Russia, 2009).

In virtue of the climatic conditions, a basic part of the agriculture within the region has concentrated in its southern part. The climatic conditions cause the insuperable contrasts in the agricultural development level (ratio of the arable lands to total land area) of the north and south Far East (boundary between them passes arbitrarily along the Stanovoi Range) (Fig. 1). So, the coefficient of the agricultural reclaiming on the south is higher 13 times than that on the north (5.2 and 0.4 respectively). At the same time, the ratio between the south and north parts of the region with respect to areas of arable lands - most valuable category of agricultural lands - is even higher (14:1, 93.3% and 6.7% respectively). As a whole, 86% of the Far East territory is characterized by the extreme or highly extreme natural-climatic conditions for the agricultural production (predominance of negative average annual temperatures, permafrost, overwatering of a considerable part of the agricultural lands or, on the contrary, mountainous relief). The possibilities of using the great territories of the Far East for the agricultural branch of economy which is most demanding of the climatic conditions are limited within its greater part by the low level of heat provision. Even within the southern subregion, the range of effective heat sum is only 1500-2650°.



**Fig. 1. Agricultural development of the FER s landscapes**  
(by A.G. Isachenko, edited by L.F. Fonareva)

The effective heat sum higher than 2000° that is comparatively “comfortable” for agricultural crops of temperate zone is only observed in the Zeya-Bureya plain, on the plain territories of the Jewish Autonomous Region, in the southern Khabarovsk and Primorsky Krai (except its north mountainous areas). Therefore, the cash crop of the agricultural branch of the region is basically located within the above zones. At the same time, a provision with thermal resources is quite high for agricultural part of the southern Far East (except for mountain territories), as a rule, it exceeds 80% for most vegetable and grain crops (Fig. 2 and 3 in Agroclimatological zoning of Amur Oblast and Primorsky Krai). (Agroclimatic resources of Amur Oblast, 1973, Agroclimatic resources of Primorsky Krai, 1973).

An area of potentially suitable for agriculture lands which are limited by a relief is about 19–20 million ha or 3.2 % of total region’s area. Only 7.1 million ha of them are within a zone characterized by the effective heat sum of not less than 1800°. That is to say, a reserve of increasing the areas of farming lands as compared with those for 1990 is minor (only about 0.5 million ha).

As a whole, the agricultural production within the greater part of the Far East is developing under severe natural conditions and, as previously mentioned, more than 80% of the region territory could be considered as the region of the North. The soils are characterized here by a low natural fertility as compared with, for example, European regions of Russia. In addition, the southern areas being actually basic agricultural territories of the Far-Eastern region are often subjected, as a rule, to the droughts in the first half of vegetation period or overwatering during monsoon rains (in the course of harvesting operations). All of this requires from the agricultural producers the increased consumption of mineral fertilizers, combustibles & lubricants and other material and financial resources. As a consequence, the economical efficiency of the agricultural production as a whole is so far not high here. The complex economic conditions over the past two decades have strengthened the negative effects of the unfavorable natural factors and complicated extremely the agricultural activities.

At the same time, under conditions of increased demand for foodstuffs in the fast-growing Asian-Pacific Region (APR), its high population density and persistent growth in purchasing power, it is necessary to increase significantly the foodstuffs production with a view to both needs of the Pacific Russia and export of some types of products.

Under these conditions, the intensification of agriculture, its change-over to new, high performance technologies as well as more complete use of available agricultural resources, first of all, arable lands in the south and near-border with contiguous countries zones should become a basic line of increasing the agricultural production in the Far-Eastern region. Taking the considerable differentiation of the Far-Eastern region with respect to natural conditions of economy management into account, it is needed to determine, in the first place, areas where the food production should turn into a branch of interregional specialization (branch of macroregional significance) and, for these regions, the

financial and material resources sufficient for the full-scale modernization of the region should be allocated. A negotiation of the protracted stagnation inertness will be difficult and long without the fundamental modernization.

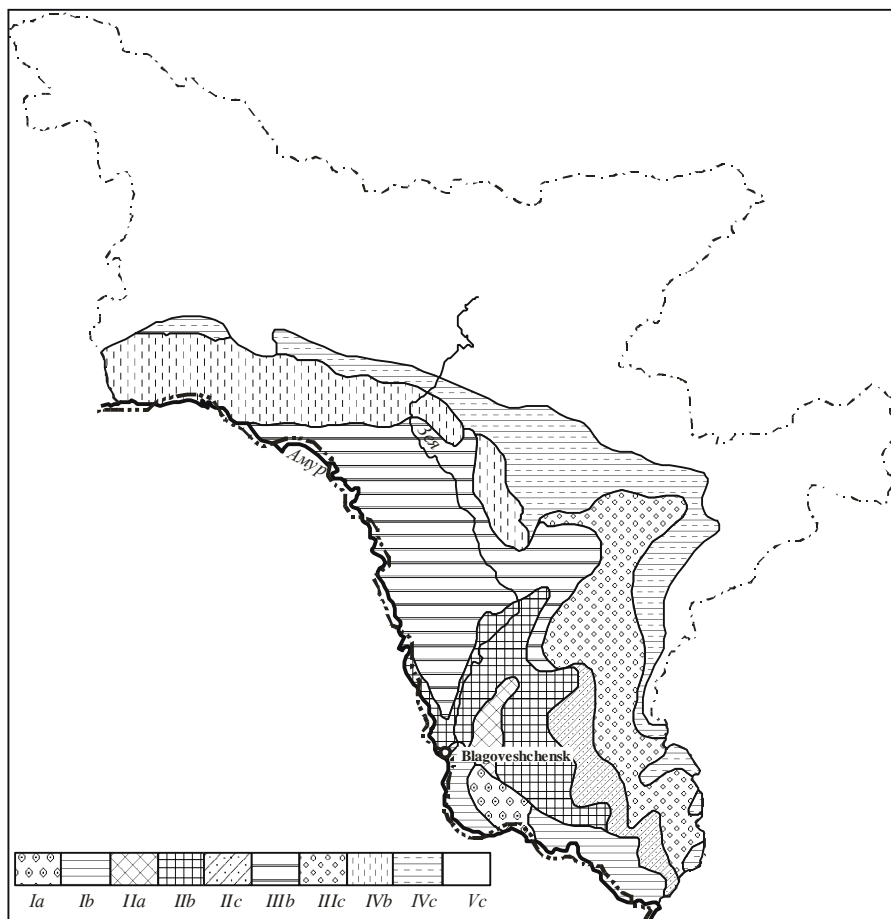


Fig. 2 Agroclimatological zoning of Amur Oblast (Source:

Index	Characteristic	Amount of temperatures above 10° ( $\Sigma_{>10^\circ}$ )	Hydrothermic coefficient (HTC)
Ia	Warm, less humid	> 2200	< 1.6
Ib	Warm, humid	> 2200	1.6 – 2.0
IIa	Lukewarm, less humid	2000 - 2200	< 1.6
IIb	Lukewarm, humid	2000 - 2200	1.6 – 2.0
IIc	Lukewarm, perhumid	2000 - 2200	> 2.0
IIIb	Moderately cool, humid	1800 - 2000	1.6 – 2.0
IIIc	Moderately cool, perhumid	1800 - 2000	> 2.0
IVb	Cool, humid	1600 - 1800	1.6 – 2.0
IVc	Cool, perhumid	1600 - 1800	> 2.0
Vc	Moderately cool, perhumid	< 1600	> 2.0

Fig. 2. Agroclim atological zoning of Amur Oblast

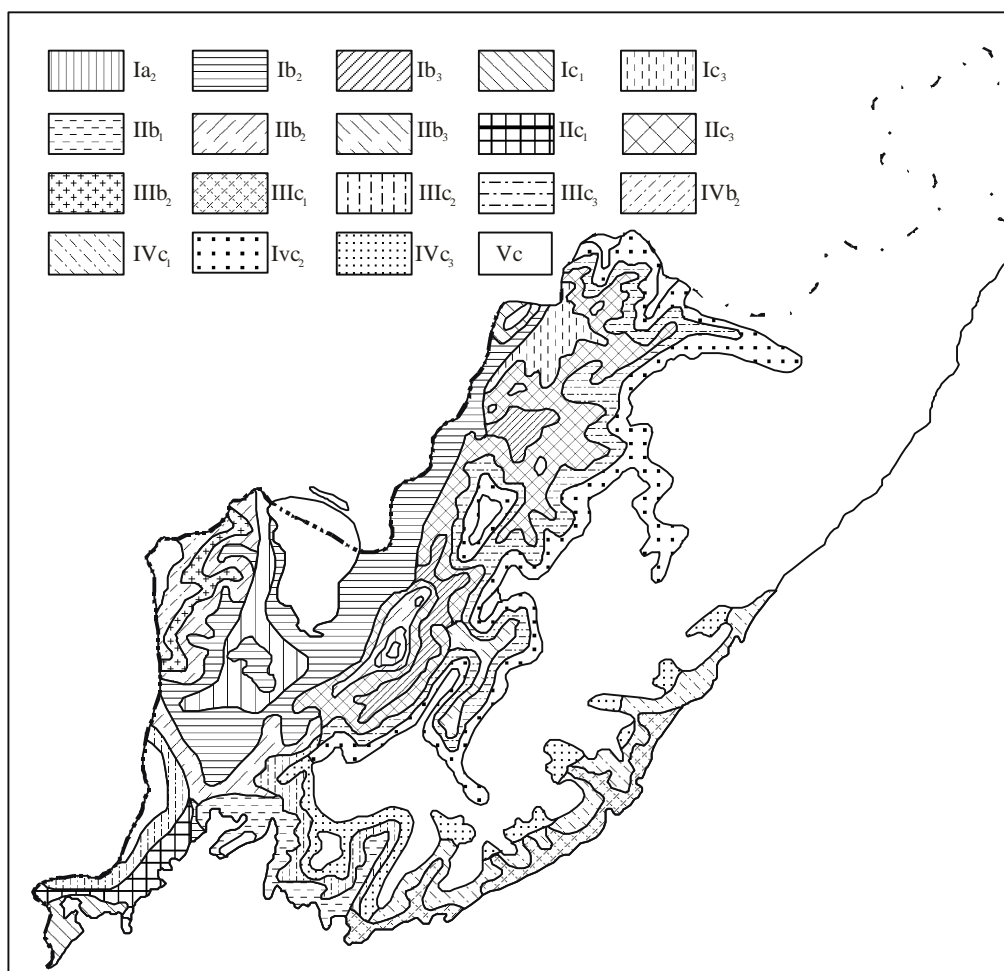


Fig. 3 Agroclimatological zoning of Primorsky Krai

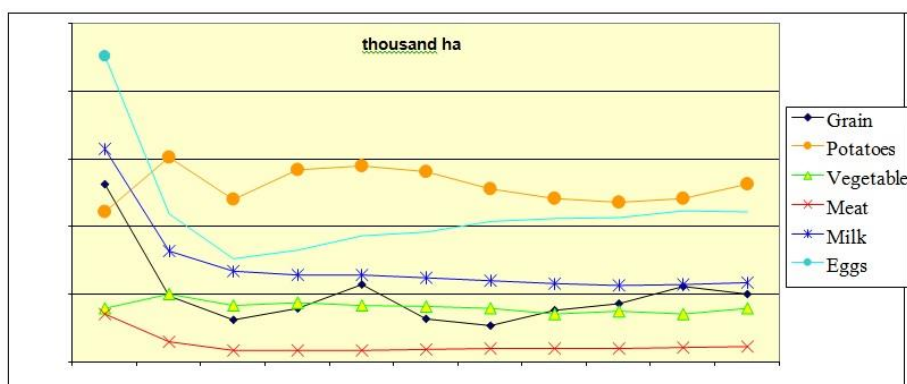
Index of region	Characteristic of region	Amount of temperatures above 10° (Σ →)	Hydrothermic coefficient (HTC)
Ia <sub>2</sub>	Most warm, subhumid, with hard winter	2600 - 2400	< 1.6
Ib <sub>2</sub>	Most warm, humid, with hard winter	2600 - 2400	1.6 - 2.0
Ib <sub>3</sub>	Most warm, humid, with very hard winter	2600 - 2400	1.6 - 2.0
Ic <sub>1</sub>	Most warm, perhumid, with very cold winter	2600 - 2400	> 2.0
Ic <sub>3</sub>	Most warm, perhumid, with very hard winter	2600 - 2400	> 2.0
IIb <sub>1</sub>	Warm, humid, with cold winter	2400 - 2200	1.6 - 2.0
IIb <sub>2</sub>	Warm, humid, with hard winter	2400 - 2200	1.6 - 2.0
IIb <sub>3</sub>	Warm, humid, with very hard winter	2400 - 2200	1.6 - 2.0
IIc <sub>1</sub>	Most warm, perhumid, with very cold winter	2400 - 2200	> 2.0
IIc <sub>3</sub>	Most warm, perhumid, with very hard winter	2400 - 2200	> 2.0
IIIb <sub>2</sub>	Moderately warm, humid, with hard winter	2200 - 2000	1.6 - 2.0
IIIc <sub>1</sub>	Moderately warm, perhumid, with very cold winter	2200 - 2000	> 2.0
IIIc <sub>2</sub>	Moderately warm, perhumid, with hard winter	2200 - 2000	> 2.0
IIIc <sub>3</sub>	Moderately warm, perhumid, with very hard winter	2200 - 2000	> 2.0
IVb <sub>2</sub>	Moderately cool, humid, with hard winter	2000 - 1800	1.6 - 2.0
IVc <sub>1</sub>	Moderately cool, perhumid, with very cold winter	2000 - 1800	> 2.0
IVc <sub>2</sub>	Moderately cool, perhumid, with hard winter	2000 - 1800	> 2.0
IVc <sub>3</sub>	Moderately cool, perhumid, with very hard winter	2000 - 1800	> 2.0
Vc	Cool, perhumid	< 1800	> 2.0

Fig. 3. Agroclimatological zoning of Primorsky Krai

## TRANSFORMATION OF THE AGRICULTURAL BRANCH OF ECONOMY IN THE 1990S AND ITS CONSEQUENCES

In spite of the natural-climatic and financial-economic difficulties and insufficient economical incentive, the agriculture of the Russian Far East has, to a great extent, satisfied in 1990 the demands of local population. So, during the pre-reform period, a demand for milk, meat, eggs, potatoes and vegetables was met at the rates of 53.5%, 59.6%, 98.2%, 100% and 47.9% respectively at the expense of local production. The production of grain (including a feeder grain) per capita reached 163 kg while consumption of milled and hulled products was 114 kg<sup>3</sup> (Shelepa, 2005).

In the 1990s, there were considerable changes in the agriculture of the region. The negative changes included drops in production 2.5 times on the average (eggs – 3 times, milk – 2.4 times, meat – 4.2 times, grain – 2.7 times etc.) (Fig. 4). In the first half of the 1990s, the growth was only observed in production of potatoes and vegetables. This is because about 50% of rural population had the substandard incomes and people increased the potatoes and vegetable production for own use and partially for sale (Regions of Russia - Socioeconomic indices, 2009).



**Fig. 4. Changes in volumes of agricultural production in the FER in 1990-2008**

The changes in the ownership forms, business patterns, scales of production, structural changes and strengthening of territorial differences occurred in the 1990s should be noted. The market outlets of products have considerably changed too.

By the time of reforms, the agricultural producers included only sovkhozes (state owned farms), kolkhozes (collective farms) and private households. The major part of agricultural products was provided by sovkhozes and kolkhozes. In 1990, there were more than 1000 sizeable enterprises in the form of sovkhozes and kolkhozes. On the average, for one such farm there were more than 6 thousand ha of the cultivated lands (including 3 thousand ha of tilled field), 1.4 thousand cattle,

<sup>3</sup> As A.S. Shelepa notes, the supplies in total food resources of the Far-Eastern macroregion reach currently 79% of meat, 50% of milk, 70% of sugar, 65% of flour, 97% of cereals, 83% of vegetable oil, 69% of margarine products, 30% of eggs, 28% of vegetables and 1% of potatoes. The food resources of the Northern Territories are largely formed by deliveries from outside.

4.3 thousand pigs and 24 thousand birds. In each Krai or Oblast, there were up to ten industrial agricultural enterprises - pig complexes, poultry farms and glass-grown complexes with high level of mechanization and economical efficiency.

The marketability of goods produced by all of these 1000 commercial farm units reached, on the average, 80-90%. In 1990, i.e., by the time of reformations, only 3% of these 1000 great enterprises were unprofitable. The profitability level of the majority of enterprises ranged from 20 to 30%. A large proportion of the farm units were characterized by the profitability level of more than 40%.

In the course of agrarian reforms of the 1990s, the fundamental structural changes in the farm sizes have taken place. Many of 1000 farms fell into several, smaller ones or went into liquidation. At the beginning of 1999, only 15% of collective farms kept the form of sovkhoz or kolkhoz. 85% of 900 remaining farms were transformed into partnerships, joint stock companies, production-agricultural cooperatives etc. In addition, about 500 thousand families of rural people (private households) were engaged in 1999 in small-scale agricultural production, first of all, for own use and, partially, for sale.

In the 1990s, great many farming enterprises were established. By the early 1999, their number in the Russian Far East reached 11.5 thousand with area of farmlands of 454 thousand ha (on the average, 58 ha per farm). On the Russia territory, such form of organization of agriculture as "farming" enterprises was absent in the course of 65 years, so they can be considered as a new form of the agriculture arrangement. During first years of reforms, a quick growth in the number of farming enterprises was observed. However, under conditions of deficiency of the start-up capital and financial-material and technical assistance from federal and regional authorities for creation of production assets, a half of them went through self-dissolution.

To the share of farmers, 9.5% of farmland and 11.5% arable lands of the region fell late in the 1990s. The relatively large farming enterprises function in the Amur Oblast where, by the late 1990s, 126 ha of land fell, on the average, to one enterprise. In 1999, the farmers have produced 11.8% of grain, 14.5% of soybean, 3.2% of potatoes, 6.1% of vegetables, 6.6% of meat, 6.1% of milk and 0.9% of eggs etc. of their total production by all categories of farms (enterprises).

At the same time, share of farmers in the agricultural production was in the 1990s different in diverse places. For example, their share in Primorsky Krai was only 3-5% while it proved to be higher in Yakutia and Amur Oblast. In the 1990s, the farmers in Yakutia, Amur Oblast and Sakhalin have produced 22%, 6% and 7% of the cattle meat of its total production respectively.

In the late 1990s, the farms were divided by forms of ownership into the government, cooperative-kolkhoz, incorporated, private, individual and mixed ones without and with foreign ownership. According to business patterns, the agricultural enterprises can be subdivided, first of all, into three categories: collective, farming and family ones.

In the 1990s, the great majority of agricultural enterprises of the Russian Far East – 85% - became unprofitable. The private farms were also in financial straits.



For the purpose of solving their financial problems, many of them were engaged in the non-agricultural activities.

Decline of production in the 1990s 2.5 times is one of the most considerable negative results of reforms. To a certain degree, the basis of decline in production was also formed by a reduction in the farmland used (Fig. 5 and 6). So, if, in 1985, there were about 6.88 million ha of cultivated lands (including 3.2 ha of tilled field) in the region, then, in 2002, these values decreased – 4.4 million ha (2.2 million ha) respectively (Agriculture of Russia, 1995; Regions of Russia, 2003, 2009).

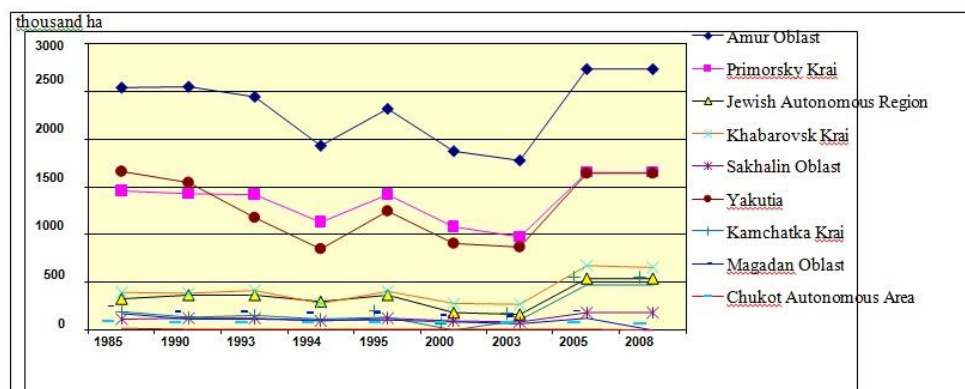


Fig. 5. Changes in the areas of the cultivated lands of the Far-Eastern subjects of RF in 1985-2008

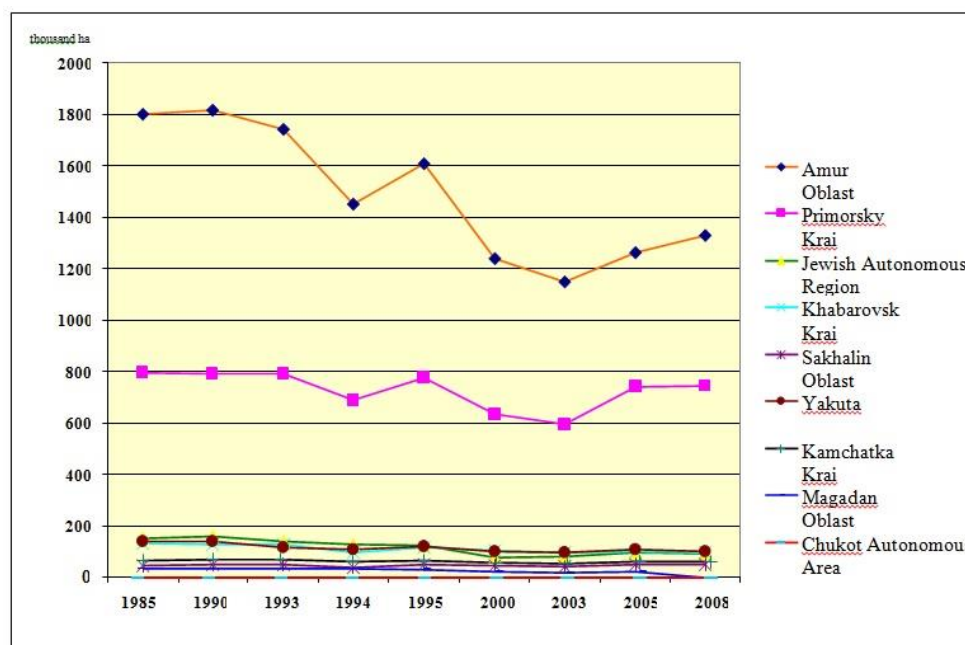
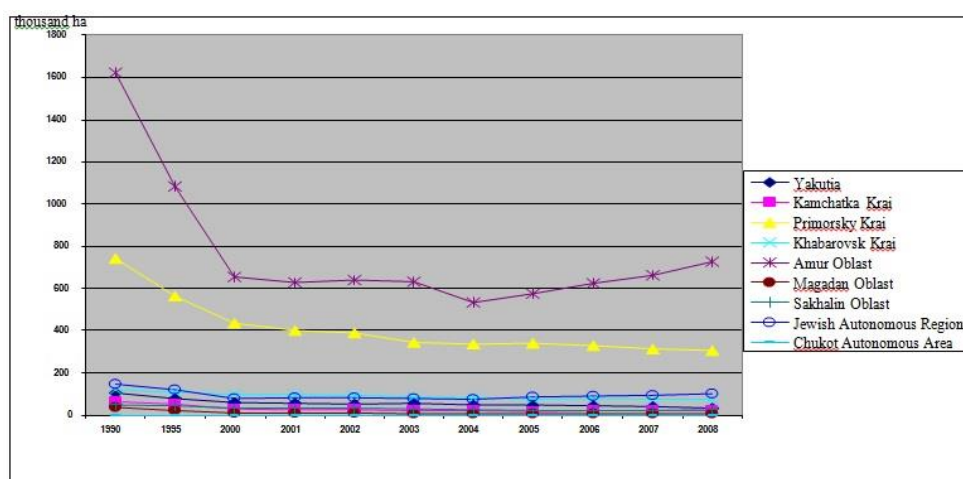


Fig. 6. Changes in arable land areas of the Far-Eastern subjects of RF in 1985-2008

The changes in areas under crops are even more evident in the 1990s (Fig. 7). If, for production of all agricultural plants, about 3 million ha (2942.9 thousand ha) of areas under crops were used in 1985 then these areas decreased actually to 2 million ha (2083.5 thousand ha) by 1995, 1.4 million ha by 2000 and to 1.3 million ha by 2008.

In Fig. 7, the greatest reductions in the areas under crops taking place in the major “agricultural” regions or “regions-bread baskets” of the Far East are shown: in the Amur Oblast (from 1675 thousand ha in 1985 to 1082 thousand ha in 1995 and 535 thousand ha in 2004) and in Primorsky Krai (from 754 thousand ha in 1985 to 564 thousand ha in 1995 and 308 thousand ha in 2008).



**Fig. 7. Changes in areas under crops in the regions of the Russian Far East in 1990-2008**

At that, the decreases in areas under crops were only observed in the agricultural enterprises as a result of their “rearrangement”. On the other hand, the private households, under these conditions, raised significantly the production. Their share increased from 25.5% in 1990 to 65.5% in 1998. The contribution of the newly established in the 1990s farming enterprises reached 5.3% (Tab. 1; 2; 3). As a result of such reforms, the agricultural production in the Far-Eastern region reduced to the level of 1950.

As it seen from Table 1, the collective farms remained in the 1990s the key producers of grain although their share reduced a little. A situation with production of major industrial crop – soybean – is analogous. At that, decreases in shares of the collective farms in the southern regions – Primorsky and Khabarovsk Krai, Amur Oblast and Jewish Autonomous Region – are inconsiderable (Tab. 2). At the same time, the grain production by the collective farms in the northern regions was, in a greater degree, reduced: nearly twofold in the Kamchatka Krai, by 16% in Yakutia and corn farming in the Magadan Oblast was stopped fully because the collective farms reoriented to the higher-demand and lower-transportable products.

**Table no. 1.**

**Change in shares of different categories of farms in the agricultural production in the Russian Far East for 1990-1999**

Kinds of agricultural products	1990			1999		
	Agricultural enterprises	Private households	Farmers	Agricultural enterprises	Private households	Farmers
Grain	98.7	0.7	0.6	86.2	2.0	11.8
Potatoes	30.1	69.3	0.6	9.0	88.3	2.7
Vegetable	66.1	33.0	0.9	16.7	76.0	7.3
Meat	75.3	24.7	-	27.4	60.1	12.5
Milk	78.2	21.8	-	29.5	64.2	6.3
Eggs	90.0	10.0	-	75.6	23.6	0.8

**Table no. 2.**

**Change in shares of different categories of farms in the regions of the Far East of Russia in grain production for 1991-1999**

Regions	1991			1999		
	Agricultural enterprises	Private households	Farmers	Agricultural enterprises	Private households	Farmers
Far East	98.7	0.7	0.6	87.9	1.1	11.0
Yakutia	100	-	-	84.4	0.1	15.5
Jewish Autonomous Region	99.6	0	0.4	83.7	0.4	15.9
Primorsky Krai	97.0	2.6	0.4	95.1	2.9	2.0
Khabarovsk Krai	97.7	1.4	0.9	95.1	1.6	3.2
Amur Oblast	99.2	0.0	0.8	83.8	0.1	16.1
Kamchatka Krai	100	-	-	52.6	28.4	19.1
Magadan Oblast	100	-	-	-	-	-

**Table no. 3.**

**Change in shares of different categories of farms in the regions of the Far East of Russia in the potatoes production for 1991-1999**

Subjects of the Russian Far East	1991			1999		
	Agricultural enterprises	Private households	Farmers	Agricultural enterprises	Private households	Farmers
<i>Far East</i>	<i>30,1</i>	<i>69,3</i>	<i>0,6</i>	<i>9,1</i>	<i>87,8</i>	<i>3,2</i>
Amur Oblast	68,4	31,1	0,5	23,9	61,0	15,2
Primorsky Krai	57,4	42,3	0,3	12,3	84,2	3,6
Khabarovsk Krai	22,4	76,8	0,8	6,6	90,6	2,8
Jewish Autonomous Region	27,5	71,9	0,6	4,4	94,1	1,5
Sakhalin Oblast	19,6	80,1	0,3	3,7	94,4	1,9
Yakutia	29,0	70,8	0,2	19,0	77,6	3,3
Kamchatka Krai	38,2	60,4	1,4	19,2	74,6	6,2
Magadan Oblast	56,6	42,7	0,7	24,6	71,1	4,3
Chukot Autonomous Area						

Changes in shares of different categories of farms in the output of other kinds of agricultural products in the 1990s differed essentially between different regions. So, if the collective farms (or agricultural enterprises) for the region as a whole have provided in 1999 about 9% of potatoes, then production of this farm crop in the northern regions and Sakhalin Oblast reached 19-25% (Tab. 3). At the same time, a share of private households in the production of potatoes proved to be higher in the regions with more favorable natural conditions for agricultural production. The situation concerning the vegetable production is similar – a share of collective farms in the northern subjects in 1999 was higher while that for private households was lower. At the same time, the private households were major producers of vegetables in the southern “agricultural” areas – their share reached there 73-84% while that in the northern areas reduced to 54-63%.

The essential changes by the categories of enterprises occurred in the production of meat and dairy foods. Shares of the farming enterprises and private households increased (by 1-7% and nearly twofold respectively) for the Far-Eastern region basically at the expense of so called “reorganization” of the agricultural enterprises. As a result of reorganization in the 1990s, the private households became the basic producers: they provided up to 60-70% of these valuable products (Tab. 4, 5) because the collective farms were seriously destroyed or close to this condition while the number of farming enterprises was by that time insignificant.

**Table. no. 4.**

**Change in shares of different categories of farms in the regions of the Far East of Russia in the meat production for 1992-1999**

Subjects of the Russian Far East	1992			1999		
	Agricultural enterprises	Private households	Farmers	Agricultural enterprises	Private households	Farmers
<i>Far East</i>	68.9	30.1	1.0	27.7	65.8	6.6
Amur Oblast	74.5	25.2	0.3	23.8	73.2	3.0
Primorsky Krai	71.9	27.6	0.5	28.1	69.7	2.2
Khabarovsk Krai	70.8	28.4	0.8	25.9	73.1	0.9
Jewish Autonomous Region	60.2	38.3	1.5	10.0	86.7	3.3
Sakhalin Oblast	65.3	32.2	2.5	60.9	30.4	8.7
Yakutia	52.9	45.8	1.3	24.1	57.2	18.7
Kamchatka Krai	79.9	19.3	0.8	41.2	52.9	5.9
Magadan Oblast	72.4	25.9	1.7	66.7	33.3	0
Chukot Autonomous Area	87.2	12.8	0	85.7	0	14.3

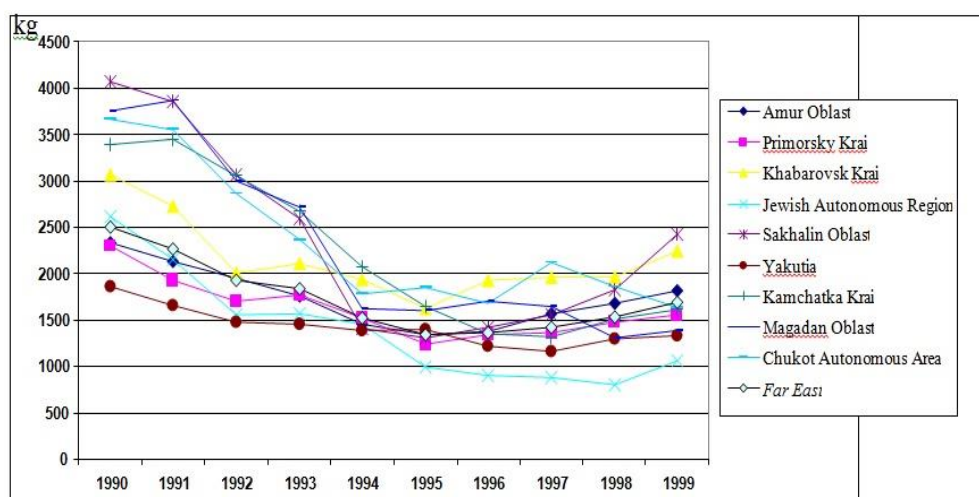
Production of eggs in the region as a whole for a period of reorganizations in the 1990s has also decreased to a considerable degree (from 2.3 billion to 765 million). However, by virtue of the fact that production of eggs is largely realized in the poultry farms, there were no such essential changes in the ratios of categories of farms in this sphere as in other branches.

**Table no. 5.**

**Change in shares of different categories of farms in the regions of the Far East of Russia in the milk production for 1992-1999**

Subjects of the Russian Far East	1992			1999		
	Agricultural enterprises	Private households	Farmers	Agricultural enterprises	Private households	Farmers
<i>Far East</i>	76.3	23.0	0.7	28.1	65.8	6.1
Amur Oblast	77.8	22.0	0.2	19.6	77.7	2.7
Primorsky Krai	78.9	20.3	0.7	31.5	66.5	2.0
Khabarovsk Krai	74.7	24.3	1.0	45.5	52.9	1.6
Jewish Autonomous Region	75.1	23.9	1.0	16.3	78.9	4.8
Sakhalin Oblast	83.6	14.7	1.7	44.7	46.9	8.3
Yakutia	66.7	32.6	0.6	20.4	63.3	16.3
Kamchatka Krai	94.7	4.7	0.6	47.9	47.9	4.2
Magadan Oblast	97.5	1.3	1.2	87.7	10.8	1.5
Chukot Autonomous Area	97.2	2.8	0	0	0	0

The structural changes happened for these years became apparent, first of all, as a reduction in a share of more cost-based industries (cattle-breeding): indices of actual volume of the animal products in the course of the 1990s were substantially below those for the crop production. Of all territories of the Russian Far East, the unprofitability of the livestock sector and, as a consequence, decrease in the total number of livestock and birds are characteristic. Along with a decrease in the head of cattle and birds in the 1990s, a lowering in the animal productivity was also observed. For example, the milk yield per cow in the agricultural enterprises decreased 1.9 times as early as 1995 (Fig. 8).



**Fig. 8. Changes in milk production per cow in the collective farms of the Far East regions in 1990-1999**

## REASONS OF NEGATIVE TENDENCIES IN THE AGRICULTURE IN THE 1990S

The basis of negative tendencies in agriculture was formed, first of all, by an ineffective governmental economic policy during the period under consideration and unfavorable financial-economic conditions of the agricultural production. In case of more effective economic policy, the negative tendencies could be reversed for two to three years. This is conclusively confirmed by the experience of effective reforms of China in 1979-2000, Japan and Germany in 1950-1960s, USA in 1930s and own experience of Russia in 1907-1911, in the New Economic Policy years (beginning of 1920s), in the period of Industrialization (1928-1940) etc.

In the 1990s, any purposeful, state agrarian policy which would take into account the strategic significance and specificity of this industry, its functions related to provision of the region population with foodstuffs and softening of the social tension as well as regional natural peculiarities was absent.

## CONCLUSIONS

Along with the financial-economic factors, the significant causes of crisis of the 1990s included: 1) absence of material and technical resources to the earlier extent; 2) even increased disparity of prices for products of agriculture and industrial products of agricultural designation; 3) sharply increased tariffs for energy resources and transport services due to monopoly position of fuel-and-power and transport companies; 4) filling of the food market by cheaper import products made under more favorable natural conditions; 5) absence of effective organizational, managerial measures for reorganization of the branch and arrangement of favorable conditions of functioning the agricultural producers; 6) difficult financial position of local population and its dramatically declined repayment ability as a result of unsuccessful reforms.

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