This new OECD publication provides a description and analysis of the major policy, market and trade developments in the agro-food sectors of the Central and Eastern European Countries (CEECs), the New Independent States of the former Soviet Union (NIS), and China, during 1992 and the beginning of 1993. It is a companion publication to the OECD’s annual review of its Member countries’ agricultural policies [Agricultural Policies, Markets and Trade - Monitoring and Outlook; see SG/PRESS(93)31]. This report has been prepared in connection with the work programme of the Centre for Cooperation with the Central and Eastern European Economies in Transition of the OECD.

Market-orientated reforms in the agriculture and food sectors of all the CEECs and NIS continued during 1992, although at different paces. The countries more advanced in the transition process - Hungary, Poland and the former Czechoslovakia (CSFR) - have more comprehensively introduced market-orientated measures and dismantled former centralised structures, while in other countries such policies are still on a more piecemeal basis. In the NIS, market orientated reform in the agriculture and food sector has been hindered by political debate over its pace and direction.

The transition process has profoundly changed the production and consumption environment for all the CEECs and NIS. The adjustment in relative prices resulting from liberalisation has led to steep increases in food prices and even greater increases in agricultural input prices. This has led to lower demand for agricultural and food products and decreased profitability. These problems were exacerbated in 1992 by a severe drought across much of the region. Further, for many of the CEECs, 1992 was important for the privatisation and restructuring of the large state and collective farms. Unresolved land ownership questions arising from this process and from measures introduced to compensate for past injustices have caused considerable uncertainty which is adversely affecting production decisions.

.../...
Economic and political reforms in the region have also led to the collapse of established regional trade arrangements with the dissolution in 1991 of the Council for Mutual Economic Assistance (CMEA). The reorientation of agricultural and food trade has largely been directed towards new markets in Western Europe in the case of the CEECs, while with the NIS, the Republics are increasingly engaging in bilateral trade. However, trade between the CEECs and NIS has been facilitated to some extent through "middlemen", "triangular trade" and barter arrangements. Development of the considerable potential for agricultural production in these countries will depend on improved access to markets in OECD countries as well as improved domestic demand.

In China, despite floods in 1991 and drought in 1992, there has been uninterrupted growth in agricultural production since 1990. This growth has contributed to higher food and textile exports, and falling agricultural imports. Economic liberalisation has been an important factor in these developments and growth is expected to continue if the present policies are sustained.

Journalists may obtain a copy of the report from the OECD Press Division, 2 rue André-Pascal, 75775 Paris cedex 16 (tel. 45 24 80 88 or 80 89).

"Agricultural Policies, Markets and Trade. Monitoring and Outlook 1993 in the Central and Eastern European Countries, the New Independent States and China"
132 pages, OECD, Paris 1993
F90; £15; US$22; DM37
ISBN 92-64-13916-8 (14 93 06 1)
Available from the OECD Publications Distributors - see attached list.