

SOVIET FOOD SHORTAGES

I. As follow-up to recent discussion Soviet agriculture, we have received report on present meat, sugar and bread situation in several areas of USSR.

A. In western Ukraine (Kiev, Kishinev), meat about same as last year - little in State Stores, but adequate supplies at reasonable prices in free market.

B. In contrast, Moscow's meat is short in State Stores, higher prices than last year in free market.

C. Facts fit picture: last year's Ukraine drought means more slaughtering there, more meat in market. Moscow's meat, however, comes from Upper Volga, where demand for more breeding means fewer animals to market.

II. Sugar is reported quite abundant in Odesa,

Kiev; somewhat short in Rostov

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- A. This fits picture: USSR's '54 sugar crop was down 7% (200,000 MT) from '53.
- B. Also, Satellites, who sent USSR half-million MT of sugar in '53, had poorer '54 sugar crop.
- C. Sugar shortage apparently putting USSR on world market for sugar: recent deal with Cuba calls for sale 200,000 MT to USSR by mid-'55.

III. Bread supply in Odessa, Kiev, reported good.

This also fits picture.

- A. Neither city in area worst hit by Ukraine drought.
- B. Even with drought, '54 grain production in USSR was some 5% better than '53.
- C. However, we may soon see local food shortages, including bread, in parts of Ukraine worst hit by drought.