

Livestock Sectors in the Economies of Eastern Europe and the Former Soviet Union: Transition from Plan to Market and the Road Ahead. By Britta Bjornlund, Nancy Cochrane (Report coordinator), Mildred Haley, Roger Hoskin, Olga Liefert, Philip Paarlberg (Purdue University), Market and Trade Economics Division, Economic Research Service, U.S. Department of Agriculture. Agricultural Economic Report No. 798.

Abstract

This report examines the restructuring of the livestock sectors in five countries: Russia, Ukraine, Poland, Hungary, and Romania. All five countries experienced a decline in both animal inventories and meat output during the early years of transition away from a centrally planned economy. ERS, in cooperation with Purdue University, developed five general equilibrium models depicting the economies of each nation. The models were used to evaluate capital investment at different stages of production; the rise in land prices that would result from a better functioning land market; reduced marketing costs; increased availability of credit; and, the creation of off-farm employment to draw labor out of agriculture. The study identifies potential trade and investment opportunities, but emphasizes that this potential depends on the successful implementation of institutional and policy reforms.

Keywords: livestock sector, Eastern Europe, centrally planned economy, cattle, dairy, beef, pork, poultry, hogs, property rights, trade, investment, reform.

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All photographs used in this report, unless otherwise noted, are by Nancy Cochrane.