



# **Sixth IWG.AGRI Seminar on Agricultural Statistics**

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## **STATISTICAL OBSERVATION OF PEASANT (PRIVATE) FARMS AND ITS IMPORTANCE IN A MARKET ECONOMY**

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1. The economy of the Omsk region has a large agricultural sector. Agriculture accounts for 15 per cent of the region's gross domestic product. Agricultural land covers 6.5 million hectares, or two thirds of the total land area, and includes 4.2 million hectares of arable land (65 per cent of all agricultural land). The share of agricultural land and arable land occupied by peasant (private) farms represents 8 and 11 per cent, respectively.
2. There are 3 hectares of agricultural land per capita (1.5 hectares in Russia as a whole). The Omsk region ranks seventh in the Russian Federation for meat production and fifth for milk production.
3. Profound changes have occurred in recent years during the agrarian reform in agriculture. They are connected with the transition to market relations and cover economic, organizational, social, legal, technical or technological and other aspects of agriculture.
4. These changes have made it possible to lay the foundations of a diversified agricultural sector, providing for the independence of economic entities, dispensing with administrative methods of management and expanding small\_scale agriculture.
5. Part of the restructuring involves the development of private farms. Despite the complex economic situation and some serious shortcomings in the establishment of the farmers' movement, the development of private farms in the Omsk region is continuing. More and more peasants are working the land and managing production independently, but the most important point is that employment is ensured in the countryside, where there is considerable unemployment. More than 25,000 people, or 3 per cent of the total labour force, work in this sector.
6. There are some 7,400 private producer units. These have been provided with 582,000 hectares of land, or 78 hectares on average per holding.
7. Peasant (private) farms are, as in previous years, mostly engaged in growing grain crops. In 1997 they produced 318,600 tonnes of grain or 13.6 per cent of the total harvest from farms of all categories.
8. The low rate of recoument of costs and limited financial opportunities of the farmers are, however, still constraints on the development of livestock production. The share of private farmers in total production remains small, at 3 per cent.
9. Given the instability of the process of change both in the private farming sector and in agriculture as a whole, it is not possible to provide information of adequate quality without proper statistical observation. The executive and administrative bodies are setting ever higher standards for the statistical and economic data to be provided by the Statistical Committee.
10. The main requirement is to reflect objectively the processes taking place in the economy, including both qualitative and quantitative changes, from the viewpoint of:
  - \_Economic development;
  - \_Progress of economic entities in applying the market model;
  - \_Influence of factors on economic and social stability.
11. The federal statistical work programme, as amended in the context of the reform of Russian statistics, provides for statistical information reflecting the socio\_economic situation of the sector and, in general terms, including economic indicators for agriculture, a characterization

of its place in the structure of the economy, indicators describing the resource potential of agriculture, institutional changes, the status of agricultural production, the formation of a market for agricultural products, the development of infrastructure, marketing and processing of products, the economic situation of agricultural enterprises, the supply of food to the population and various other kinds of statistical information.

12. However, most of this information is available only for large and medium-sized agricultural enterprises, where complete statistical reporting has been retained and is continuing to cover developments quite fully. In peasant (private) farms, however, current reporting does not afford the possibility for analysing the real state of affairs without additional study.

13. Of course, in view of the great number of small commodity producers, most of which lack transport facilities and telephone communications, it is impossible to arrange for all information to be gathered through exhaustive inquiries. Moreover, that approach, although convenient, is too expensive. However, for fuller analysis and monitoring of developments in this sphere it is essential to have a wider set of indicators. The sampling method must therefore be used to conduct observations of the activities of private farmers.

14. The sample survey is a faster and more economical means of obtaining data. As experience has shown, production indicators obtained from full statistical reporting combined with information from sample surveys make it possible to characterize quite adequately the socio-economic situation of private farms, considerably enhancing the quality of the analytical materials.

15. The range of issues to be covered is very large. In general, private farms have achieved little as yet in terms of improving their effectiveness and productivity. Initial hopes that this sector would perform more reliably have not been borne out.

16. However, it has to be said that a number of farms have adapted to market economy requirements and are achieving quite good results: they are developing entrepreneurial activities, expanding the areas of land worked, leasing the property of former collective and State farms and employing peasants on a contractual basis. All of these processes need to be studied.

17. The Omsk Regional Statistical Committee periodically conducts sample surveys of peasant farms. A sampling plan is drawn up for each sample survey in the following stages:

\_Definition of the basis of the sample;

\_Definition of the sampling unit;

\_Elaboration of a methodology for establishing a sample population;

\_Definition of the sample size;

\_Analysis of the sampling results.

18. The tool used in selecting farms for sample surveys is the Peasant (Private) Farm Register, which has been prepared according to a programme wider than that recommended by the State Statistical Committee of the Russian Federation. In addition to information on farm output, the register includes details about the level of education of the heads of peasant farms, their age composition, equipment available, etc.

19. Surveys of peasant farms were conducted on three occasions by the Regional Statistical Committee in 1996-1997. These examined the financial situation of the farms and factors

influencing their financial position, the availability of seeds and storage facilities, channels for marketing products and also the reliability of the reports provided, i.e. the question asked here was: “Are the reporting data provided to the State statistical authorities deflated? If so, by what percentage?” This information is necessary to determine the concealed volume of production. Also studied were questions concerning the availability of processing facilities, future intentions with regard to the organization of labour (work in association or independently), the use of hired labour, and reasons for the liquidation of peasant farms. The survey generally covers 10 to 15 per cent of all farms.

20. A statistical compilation entitled “Development of peasant (private) farms in the Omsk region” was issued in 1997 together with an analytical note. This compilation includes all the indicators of the register grouped by year of establishment of the farm and extent of land use, as well as data on output and productivity of fields and animals over the long term, and has been highly praised by staff of scientific organizations, the agrarian university, advanced training schools for farm workers and agri\_business. It was also distributed to heads of farms at a conference held in the region, and made available to regional and district administration and management bodies.

21. Forty copies of the compilation were printed, some being marketed on a commercial basis. The volume of services totalled 10,000 denominated roubles.

22. In addition to monitoring based on sample surveys and full sampling, the State Statistical Committee obtains information on the activities of peasant farms from the committees on land resources and land management, with regard to the use of arable land and forms of labour organization, as well as the reasons for any non\_utilization of arable land, and from the tax authorities on questions relating to the financial situation of peasant farms, as provided on form N5\_KX.

23. There will be further need for surveys of peasant farms since they will continue to grow. Non\_exhaustive observation methods must be improved on an ongoing basis. However, the lack of financial resources is increasingly limiting the possibilities of carrying out this work as required (the last survey under the State Statistical Committee programme was for 1 January 1995). In addition, the register has to be regularly updated.

24. Consequently, in order to increase the use of sampling methods in future, the Directorate for Environmental and Agricultural Statistics of the State Statistical Committee of the Russian Federation must, when drawing up the federal programme of statistical work for the years ahead, identify funding for such surveys at the central level.

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