SOME TRENDS OF LIVESTOCK FARMING DEVELOPMENT IN 2008: OVERALL RESULTS OF THE STATE PROGRAM OF AGRICULTURAL DEVELOPMENT IN RUSSIA

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Abstract: Some tendencies in the development of modern livestock farming are given in the article under discussion. The results of the fulfillment of the State Program of Target Indicators in 2008 are shown in two general tables. It is mentioned, that the main target indicators of the State Program, planned for 2008, were fulfilled, except the indicator of dairy production. All the measures aimed to support agricultural producers were fully financed. It is necessary to take into account new risks, which agricultural producers could face in future, while preparing measures necessary for livestock farming development in 2009.

Key words: livestock farming, target indicators, dairy production, young breeders

The task of the development of the priority agricultural segments is to level off the emerging disproportions in the food producing sector by supporting those producers, which are more competitive and have the advantage over others at home as well as at the world markets, though it is impossible for them to realize their full potential without state support and regulation.

The main measures in livestock farming are aimed to increase the production of meat and milk, as the production volume of these kinds of agricultural produce is below the advisable consumption rate, thus there is a great amount of meat and milk import. In 2008 in all the categories of farms the production of butcher livestock and poultry in live weight increased by 6.5 % and came to 9300 thousand tons in comparison to 2007, which is 3.9 % higher than it was supposed according to the State Program of Target Indicator.
Table 1. Fulfillment of main target indicators of livestock farming development

<table>
<thead>
<tr>
<th>Target Indicators</th>
<th>Scheduled</th>
<th>Actual Fulfillment</th>
<th>Fulfillment Percentage %, +,-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production of butcher livestock and poultry in live weight, thousand t.</td>
<td>8950</td>
<td>9300</td>
<td>103.9</td>
</tr>
<tr>
<td>Dairy production, thousand t.</td>
<td>33000</td>
<td>32382</td>
<td>98.1</td>
</tr>
<tr>
<td>Increase in selling young breeders by the previous year, %</td>
<td>15.2</td>
<td>17.3</td>
<td>2.1</td>
</tr>
<tr>
<td>The ratio of breeding stock to the total livestock number, %</td>
<td>8.3</td>
<td>9.6</td>
<td>1.3</td>
</tr>
<tr>
<td>Breeding stock supply by the joint stock company “Rosagroleasing”, thousand heads</td>
<td>50</td>
<td>50.4</td>
<td>100.8</td>
</tr>
<tr>
<td>The supply of livestock farming equipment by the joint stock company “Rosagroleasing”, thousand cattle places</td>
<td>65</td>
<td>69.6</td>
<td>107.1</td>
</tr>
<tr>
<td>Reindeer livestock population at the agricultural enterprises, farms, including the cattle bred by independent businessmen at the end of the year (2008), thousand heads</td>
<td>940</td>
<td>1022</td>
<td>108.7</td>
</tr>
<tr>
<td>Maral livestock population at the agricultural enterprises, farms, including the cattle bred by independent businessmen at the end of the year (2008), thousand heads</td>
<td>70</td>
<td>84</td>
<td>120.0</td>
</tr>
<tr>
<td>Meat herd horse livestock population at the agricultural enterprises, farms, including the heads bred by independent businessmen at the end of the year (2008), thousand heads</td>
<td>130</td>
<td>271</td>
<td>208.5</td>
</tr>
<tr>
<td>Sheep and goat brood stock population at the agricultural enterprises, farms, including the heads bred by independent businessmen at the end of the year (2008), thousand heads</td>
<td>6210</td>
<td>7279</td>
<td>117.2</td>
</tr>
</tbody>
</table>

3096 thousand tons (101.8 %) of butcher cattle, 2687 thousand tons of (104.9%) butcher swine and 3023 thousand tons (114.8 %) of slaughter poultry were marketed.

In comparison to the previous year dairy production increased by 1.1% and totaled 32382 thousand tons, though it was 1.9 % below the target indicator of the State Program.

The commitments to increase meat production in accordance with the State Program were fulfilled in 59 regions of the country, whereas 21 region didn’t meet their engagements. In comparison to 2007 the largest growth in marketing of butcher livestock and poultry in live weight was achieved in Belgorod region – 197 thousand tons (37.3%), in Chelyabinsk region – 48 thousand tons (22.2%), in
Leningrad region – 41 thousand tons (24.3 %) and in the Tatarstan Republic – 37 thousand tons (10.5).

Yet in some regions the results of the program fulfillment are not so significant, as the process of technical and technological improvement is carried out rather slowly there, and innovations are not so widely introduced. The reason is the lack of financial resources necessary for complex modernization. Not so much financial means are assigned for this purpose either by the producers or from the budget. Most regions do not fully realize their potential in meat production.

The main growth in meat production is caused by the work of the constructed industrial poultry keeping and swine breeding enterprises, which provide the profitability of financial investments. Further development of these segments supposes the formation of agricultural holdings, which will include all the links of the production chain from providing agricultural producers with all necessary resources to the marketing of the finished product, alongside with the organization of breeding centers and development of necessary infrastructure.

In swine breeding the process of technical and technological modernization started as a part of the priority national project “Agro-Industrial Complex Development”, and it is being carried out now. 162 pig-breeding complexes were built and reconstructed in 2008. On new pig-breeding farms 245 thousand tons of pork was produced. Some pig-breeding centers are being arranged, the share of butcher swine production is steadily increasing. As a result the number of pork producing enterprises have grown, where the swine livestock has increased by 6.1 % and the production of pork almost by 15 % in comparison to 2007. A large increase of butcher swine is provided in Belgorod region, where the production volume is half as large as its pre-reforming level.

In 2008 swine livestock increased in 37 regions, decreased in 42 regions in comparison to the previous year. Swine breeding conditions vary in different regions, it is determined by the prevalence of some forms and methods of state regulation, used at the enterprises. In those regions where swine breeding complexes have existed for some period of time it is necessary to increase their productive capacity using the experience of Belgorod region. In the regions, where a large amount of grain forage is produced and the forms of small commodity production and marketing are widely spread (Rostov, Volgograd, Voronezh, Saratov, Tambov and some other regions) it is preferable to use cooperation mechanisms, to create closed systems, including pork production on individual and cooperative farms, its processing and delivery to a trading network.

In individual households swine livestock has decreased by 9.6%, on farms – by 6.7%. The decrease is mostly caused by a jump in prices, which took place in 2007, as well as by the difficulties the farmers encounter selling the pork. The quality of the pork produced in individual households is worse as well as the price for this produce is lower in comparison with the quality and the price of the modern
industrial complexes. That is why the pork from individual households is mostly used for home consumption and partially sold at agricultural markets.

Owing to some economic reasons small commodity producers need to be supplied with young meat breeders, mixed fodder, and some necessary services such as zooveterinary, advisory, marketing help. In regions this category of producers should closely cooperate with large agrarian holdings, able to provide them with livestock and fodders of good quality. Joined together in a consumer’s cooperative small farms will have an opportunity to give over some resource providing and marketing functions to the cooperative, which will enable them not just to increase their productivity but to solve some social problems such as the problems of employment and wage raise.

In poultry farming annual growth of poultry meat at agricultural enterprises totaled 20.3%. 86% of the whole amount of poultry meat was produced at agricultural enterprises, 14% on farms and in individual households.

Main increase in the amount of products at agricultural enterprises was provided by poultry farms of Belgorod region (113.2 thousand tons in live weight), Chelyabinsk region (34.6 thousand tons), Leningrad region (34.6 thousand tons), the Tatarstan Republic (26.3 thousand tons), Stavropol Territory (18.3 thousand tons), Moscow region (12.3 thousand tons), Lipetsk region (10.7 thousand tons).

In all the federal districts of Russia the volume of poultry meat production is regularly increasing, providing in that way import substitution of poultry meat on the territory of the country. Steady increase in meat production is stimulated by the use of high productive crosses, introduction of resource saving technologies, investments in reconstruction and modernization of enterprises. In broiler poultry keeping 85 enterprises were set in operation in 2008, among them 22 new buildings, 63 reconstructed and modernized enterprises. They produced extra 220.1 thousand tons broiler meat. The main lines of the branch development include: breeding work, improvement of forage resources with the help of subsidized short term loans for seasonal storage of grain fodder; modernization of other poultry farms, which is supposed to be financed by long term loans.

Beef production is based in the country on marketing cattle stock of dairy and dual-purpose breeds. In comparison to some previous years there are not so many beef factories for young stock fattening nowadays as there used to be.

In 2008 the attempt to stop the reduction of cattle livestock failed, thus in 2007 in all the categories of farms the number of cattle livestock reduced by 0.5 million heads (2.4%) and the livestock population was 21.3 million heads. At the same time the tendency of cattle livestock reduction has been slowing down during 3 last years.

In some regions of the country beef breeds are started to be kept. For the purpose of supporting this branch of agriculture a specialized goal orientated program for the period of 2009 – 2012 was adopted.
In dairy cattle breeding 37 regions fulfilled their commitments concerning the increase of dairy production and 43 regions failed to. Among the regions which didn’t meet the engagements of milk production are the main producers such as Moscow, Leningrad, Samara and Sverdlovsk regions. The main reason of the failure to fulfill the obligations in accordance with the target indicator is the reduction of the cattle livestock. In 2008 the livestock number has decreased relating to the number of livestock in the previous year. Increase in livestock population was provided only in 24 region of the country. At agricultural enterprises cattle livestock population decreased by 120 thousand heads. Though the cow productivity at those enterprise has grown by 228 kilo and came to 4024 kilo during this period. Such increase in productivity is caused by herd renewal, modernization and building of new farms. Dairy production at agricultural enterprises increased by 0,6% in comparison to the level of 2007.

Individual households still remain primary milk producers, keeping 52 % of all the cows in the country. During the year the number of cows in individual households decreased by 87,6 thousand heads and increased by 7,8 thousand heads on farms. The reduction of cow population in individual households was caused by low purchasing price for milk and problems with fodder storage. In individual households cow breeds are renewed slowly, manual labour predominate in the process of dairy production, and the nutritive substances in fodders are not properly balanced. That is why milk productivity of cows in the regions with the prevalence of small commodity production is 1,5 – 2,5 times as low as in the regions, where intensive dairy production on big milk farms and complexes predominate.

There is a great difference in the ways the regions realize their potential of dairy production. The measures prospected by the State Program and aimed to develop cattle breeding turned out to be insufficient to provide target rate of growth in dairy production. The same support measures were supposed to be taken and the same economic-organizing schemes to be involved in milk cattle breeding as in other branches of agriculture, though they did not take into account the specific character of the cattle breeding branch. In milk cattle breeding new farms and complexes require longer periods of time so that to use production facilities fully and to set up a well-provided forage reserve (no less than 3-4 years). Unsettled economic relations between milk producers and milk processing enterprises or commercial establishments put a significant obstacle for growth in milk productivity.

One of the factors favouring the productivity growth in livestock farming was the measures taken to support livestock breeding. According to the State Program the growth in selling young stock breeders in 2008 was planned to be 15,2 %, in fact the growth was 17,3 %. The ratio of breeding cattle stock to the total number of livestock was planned to be up to 7,7 % in all the categories of farms, in fact it was 9,6 %.
In comparison with 2007 the largest increase in dairy production in 2008 was in
the Tatarstan Republic – 81 thousand tons (4.7 %), Saratov region 62 thousand
tons (7.3 %), in Rostov region 50 thousand tons (5.3 %). The volume of dairy
production decreased in 31 regions. A great contribution in the development of
dairy production was made by joint stock company “Rosagroleasing”, which
supplied 50.4 thousand heads of young cattle breeders. Joint stock company
“Rosagroleasing” fulfilled the tasks of the State Program in terms of young
breeders supply as well as the supply of modernization equipment for livestock
farms. Young breeders were supplied to 49 regions of the country.

To overcome the development lag in milk cattle breeding some measures of
additional state support of the branch are planned to be taken. The Russian
Ministry of Agriculture has worked out a branch target program of milk cattle
breeding development in 2009-2012.

Milk cattle breeding has great potential for increase in dairy production, thus
carrying out breeding work is considered to be very important. It is proved by the
results of agricultural producers” work in North-Western Federal District, where
annual yield of milk per cow ran up to 5168 kilos (32.6 % of livestock are breeding
animals), in Leningrad region – 6777 kilos (60.6 %). High livestock productivity is
provided in the regions, where there is large commodity production and high ratio
of breeding stock to the total number of livestock. Such measures as improving the
resource supply in small commodity production, giving the assistance in marketing
of the products produced in individual households and on farms will also stimulate
the growth of dairy production.

In the State Program special attention is given to such agricultural branches as
sheep breeding, goat breeding, herd horse breeding and reindeer farming. The
development of these branches is viewed upon as a social measure aimed to
support the employment of rural population on the relevant territories.

610 million rubles were assigned from the federal budget to increase the
livestock population of goats and sheep, kept by individual businessmen at
agricultural enterprises and on farms.

In order to preserve traditional way of living and to find employment
opportunities for peoples of the North, Siberia and the Far East the measures
planned to develop reindeer breeding and herd horse breeding were fulfilled.
Livestock population of the reindeer reached 1 million heads, whereas the target
indicator is 940 thousand heads. At the end of the year the livestock population of
meat herd horses was 270.6 thousand heads (the target code supposed the
population of 130 thousand heads).

A great deal of work was done in the sphere of animal protection as it was
planned according to the State Program. Some anti-epizootic measures prevented
the spread of quarantine and dangerous diseases. The target indicators of the State
Program showing the level of animal disease incidence were ahead of schedule. In
fact 92.6% of the financial means planned in the State Program for anti-epizootic preventive measures were spent. Cost saving was provided by means of the effectively arranged competition for the purchase of preparations. Up to 5 regions were planned to use the methods of early disease diagnosis, in fact 25 regions used them.

To sum it up, main target indicators of the State Program, planned for 2008, were fulfilled, except the indicator of dairy production. All the measures of the State Program were fully financed. (Table 2).

Table 2. Fulfillment of subsidizing indicators of program measures in livestock farming in 2008, (million rubles)

<table>
<thead>
<tr>
<th>Types of Subsidies</th>
<th>Scheduled</th>
<th>Actual Fulfillment</th>
<th>Fulfillment Percentage %, +,-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidies to support breeding livestock farming</td>
<td>2698.4</td>
<td>2698.4</td>
<td>100.0</td>
</tr>
<tr>
<td>To support reindeer and meat herd horse breeding</td>
<td>278.2</td>
<td>300.1</td>
<td>107.1</td>
</tr>
<tr>
<td>To support sheep breeding and goat breeding</td>
<td>610.0</td>
<td>610.1</td>
<td>100.0</td>
</tr>
<tr>
<td>To carry out anti-epizootic measures</td>
<td>2997.2</td>
<td>2774.2</td>
<td>92.6*</td>
</tr>
</tbody>
</table>

* Cost saving was provided by means of the effectively arranged competition for purchase of preparations

New risks for agricultural producers should be taken into account while preparing measures necessary for livestock farming development in 2009. Such risks are caused by the financial crisis: decrease of investment activity, rise in the cost of loans, reduction of demand for the produce of livestock business as a result people’s income reduction. Additional state support is necessary to reduce the risk. Drop in ruble rate will negatively influence the possibilities of farms to import new breeding stock, equipment and agricultural machinery. That is why it is necessary to focus on the development of own breeding resources and organizing home manufacture of machinery.

Poultry keeping and swine breeding are regarded to be the main source of meat production increase. The accumulated experience in building and reconstruction of poultry factories and swine keeping complexes has reflected the great potential of these branches. On condition that the rate of progress of the construction work is kept at the same level, breeding work as well as forage reserve are continued to be improved, there is a possibility to fulfill the target indicators of the State Program planned for 2009-2012, mostly due to the production of poultry meat and pork. To change the situation cardinally in development of beef and milk cattle breeding it is necessary for the state to make heavy capital investments so that to restore the
number of livestock, to improve the forage reserve, to create necessary infrastructure, to organize processing and marketing of the products.

**Trendovi u stocarstvu u 2008: ukupni rezultati državnog programa za poljoprivredni razvoj u Rusiji**

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**Rezime**


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