

**Changes in Agricultural Markets in Transition Economies.** By William Liefert, Market and Trade Economics Division, Economic Research Service, and Johan Swinnen, Katholieke Universiteit Leuven. Agricultural Economic Report No. 806.

## **Abstract**

Economic reform in the transition economies of the former Soviet bloc has transformed the volume and mix of these economies' agricultural production, consumption, and trade. Output drops in most countries have ranged from 25 to 50 percent. The livestock sector has been hit particularly hard, all but eliminating U.S. grain exports to the region. This report concludes that the output decline has been an inevitable part of market reform and that the main goal of agricultural policy in the transition economies should not be to return output to pre-reform levels but to increase the productivity of input use. Although reform has created a food security problem in some countries, the cause of the problem is not insufficient food supplies, but rather inadequate access to food by segments of the population and regions within countries.

**Keywords:** Russia, Ukraine, former Soviet Union, Central and Eastern European countries, transition economies, agricultural production, livestock sector, food consumption, trade, policy reform, productivity.

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