

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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### Agricultural Policies

#### Addendum

#### CZECHOSLOVAKIA

The implementation of the agricultural policy is based on the system of economic management, introduced in 1967, on the modification of wholesale prices and on the unification of the management of agriculture, the foodstuffs industry, the wholesale trade in the field of agricultural products and of the most important agricultural services under the Federal Ministry of Agriculture and Food. Further improvement in management techniques is envisaged.

In order to ensure further development of agricultural production and the gradual equalization of return in agriculture with that in comparable activities in other branches of the national economy, the Government has approved and carried out in recent years the agricultural policy aimed at the further improvement of conditions of agricultural production which has been inter alia achieved by means of the increased premiums for production growth as well as by other measures like further mechanization, introduction of new technologies, etc. This policy has been carried out also with the aim of stabilizing the labour force and of attracting fresh skilled manpower to agriculture. Labour productivity constitutes the major determinant of the growth of income of farmers.

Under the existing management of agricultural production creation of large-scale farms by enlargement and amalgamation has taken place and a number of new associations and large units of specialized production have been formed in recent years both by farm co-operatives and by the State farms mainly to promote large-scale production of broilers, eggs, pigs and other agricultural products and to utilize more effectively financial and material resources, capacity and manpower. Further concentration and specialization of agricultural production is envisaged.

Linkages of agriculture with other economic sectors have strengthened. Considerable progress has been registered in the development of services rendered to agricultural production units. The establishment of industrial plants for the production of compound foodstuffs, for cleaning, grading, packaging of agricultural products as well as the application of industrial fertilizers and chemical pesticides etc. assisted to the intensification of agricultural production. Various forms of closer integration between agricultural and foodstuff production enterprises have also been developed.

The share of agricultural production in the national income of Czechoslovakia had decreased from 17.6 per cent in 1948 to 9.1 per cent in 1972 due to the rapid expansion of industry. Czechoslovakia has only 0.49 hectares of agricultural land and 0.34 hectares of arable land per capita. The share of agricultural manpower in labour force had similarly declined with the continuing transfer of labour from farming into other sectors. In 1972, of the total number of persons employed in national economy approximately 15 per cent were employed in agriculture whereas of the total population only 7.5 per cent worked in agriculture. Possibilities are limited for any further expansion of acreage of agricultural land in Czechoslovakia. Consequently, the only way open for the expansion of agricultural production is the intensification of agricultural production based upon the best utilization of land and climate and the most rational specialization.

The Czechoslovak socialist system of agriculture based on planned production by co-operatives and State farms has succeeded in organizing the large-scale production necessary for the growth of the forces of production. By the end of 1972 62 per cent of agricultural land was cultivated by co-operative farms, and further 30 per cent by State farms.

Czechoslovakia will maintain and further develop her modern agriculture. In view of the world inadequate supplies of some basic agricultural products this policy is essential not only for the food situation of Czechoslovakia herself but also for solving the food problem in other areas in the world.

The anticipated growth of production will be primarily accounted for by a rise in productivity brought about mainly by further mechanization and by the progress achieved in technology and in agricultural sciences. Technological innovation will be a continuing trend. The price, tax and credit policies have been formulated so as to make it possible for agricultural production to utilize natural conditions fully and to enable agriculture to make a proper contribution to the national economy.

A further increase in agricultural imports to satisfy growing consumer demand is envisaged. In accordance with the continuing growth of living standards, imports of both temperate zone and tropical products and foodstuffs such as fruits and vegetable, fish, coffee, tea, cocoa, etc. are expected to increase further.

The Czechoslovak policy in the sphere of agriculture based on planned development of economy does not pursue any goal of self-sufficiency but aims at the satisfaction of the growing needs of the population both by the most efficient utilization of domestic resources and by the further expansion of international trade.