

~~TOP SECRET~~

SOVIET UNION

1. Grain crops in Ukraine damaged by drought:

Agricultural officers of the American embassy in Moscow believe that as a result of drought conditions, grain yields in areas of the Ukraine and nearby regions, observed in late July, will range from around one half to three fourths of the postwar average. They conclude that the current grain harvest in the Ukraine as a whole will not exceed two thirds of the average crop. The damage is greater in the central and southeastern Ukraine than in the other areas.

Comment: The drought damage in the Ukraine, where normally about one fifth of the total grain output of the USSR is produced, seriously impairs the chances of a large increase in grain production over last year. However, crop prospects in the remaining areas of the Russian Soviet Republic observed by embassy officials have ranged from fair to good. Other large areas of the USSR have not yet been observed.

Increasing grain output is of crucial importance to the Soviet agricultural and consumers goods programs and is necessary for any lasting large-scale expansion of Soviet foreign trade with the West.

FAR EAST

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