

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Voluntary Public

Date: 5/4/2015

GAIN Report Number: KZ-08

Kazakhstan - Republic of

Post: Astana

Kazakhstan Agricultural Update

Report Categories:

Agriculture in the News

Approved By:

Robin Gray

Prepared By:

Zhamal Zharmagambetova

Report Highlights:

Spring Sowing Campaign Update . . . Ministry of Agriculture Brief on 2015 Sowing Strategy . . .
Deteriorating Soil Fertility in Kostanai . . . Kazakhstan Applies for FMD-Free Status . . . Food
Corporation Makes Allocation for Planting Crops . . . Eurasian Economic Commission to discuss
Kazakhstan/Russia Trade Restrictions . . . Agricultural Production in Kazakhstan Up

General Information:

Welcome to the Kazakhstan Agricultural Update, a summary of issues of interest to the U.S. agricultural community. The report includes information that has been garnered during travel within Kazakhstan, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included and summarized in this report. Significant issues will be expanded upon in subsequent reports from this office. Minor grammatical changes have been made for clarification.

DISCLAIMER: Any press summary contained herein does NOT reflect USDA's, the U.S. Embassy's, or any other U.S. government agency's point of view or official policy.

Exchange Rate: The National Bank of Kazakhstan exchange rate as of April 17, 2015: U.S. Dollar/185.8 Tenge.

GRAIN:

Spring Sowing Campaign Update: "KazAgroFinance" JSC started the transfer of machinery to agrofarms within the spring sowing campaign framework. In particular, in the southern regions of the country spring plowing in grain-growing, vegetable-growing and cotton farms is already in full swing. To date, the Credit Committee has already received from South Kazakhstan farmers applications to purchase more than 300 units of machinery for more than 991 million tenge. The subsidy program will compensate agricultural producers up to 7% of the total financing rates. Thus, the interest rate on leasing of agricultural equipment and machinery in "KazAgroFinance" JSC including the subsidy will be 6.4% instead of 13.4%. In general, the group of companies of "KazAgro" National holding plans to spend more than 97 billion tenge using all sources of financing for the spring sowing campaign in 2015. Within this amount, "KazAgro" will allocate 34 billion tenge among second-tier banks. In 2014, for the spring sowing campaign "KazAgroFinance" financed the purchase of 1,167 units of machinery in the amount of 11.2 billion tenge. It is planned that in 2015, within the framework of the spring sowing campaign, not less than 1,000 units of machinery, in the amount of about 10.5 billion tenge, will be purchased.

Ministry of Agriculture Brief on 2015 Sowing Strategy: The following information was released by the Kazakh Ministry of Agriculture on the spring sowing campaign:

Planting area plan 2015

000 hectares

Indicator	2014 actual	2015 forecast	2015 to 2014	
			(+,-)	%
Total planted area	21 462,5	21 533,0	70,5	100,3
including spring sowing	18 749,5	18 547,8	-201,7	98,9
Grains and pulses	15 302,5	15 162,3	-140,2	99,1
wheat	12 391,8	12 156,5	-235,3	98,1
corn for grain	127,3	126,5	-0,8	99,4
rice	97,6	89,1	-8,5	91,3
other grains	2 685,8	2 790,2	104,4	103,9
Oilseeds	2 300,4	2 165,9	-134,5	94,2
Cotton	127,5	113,8	-13,7	89,3
Sugar beats	2,0	11,8	9,8	590,0
Potato	185,5	190,6	5,1	102,7
Vegetables	138,2	138,0	-0,2	99,9
Horticulture	89,1	85,0	-4,1	95,4
Feeding crops	3 316,2	3 665,1	348,9	110,5



Crop diversification overview 2011-2014

3

000 hectares

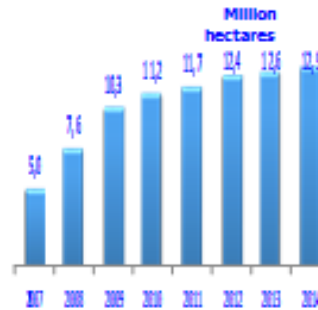
Indicator	2011	2014	2014 to 2011	
			(+,-)	%
Total sown area	21200,8	21462,5	261,7	101,2
Grains and pulses	16199,1	15302,5	-896,6	94,5
Including wheat	13822,7	12391,8	-1430,9	89,6
corn	99,6	127,3	27,7	127,8
rice	93,5	97,6	4,1	104,4
other grains	2183,3	2685,8	502,5	123,0
Oilseed crops	1817,3	2300,4	483,1	126,6
Cotton	160,6	127,5	-33,1	79,4
Sugar beats	21,0	2,0	-19,0	9,5
Potato	184,2	185,5	1,3	100,7
Vegetables	128,7	138,2	9,5	107,4
Horticulture	67,8	89,1	21,3	131,4
Feeding crops	2619,9	3 316,2	696,3	126,6



Moisture saving technology

4

Область	Площади внедрения ВРСТ - всего				в том числе по нулевой технологии			
	2014 actual		2015 forecast		2014 Fact		2015 Forecast	
	000 hectares	% to grain area	000 hectares	% to grain area	000 hectares	% to grain area	000 hectares	% to grain area
AKMOLA	3 230	77,4	3 290	79,1	514	12,3	516	12,0
AKTOBE	242	54,1	270	76,7	63	14,1	69	19,6
ALMATY	130	29,0	134	29,8	3	0,7	5	1,1
EAST-KAZ	438	74,7	466	80,5	71	12,1	77	13,3
ZHAMBYL	15	5,8	16	6,6	8	3,1	8	3,3
WEST-KAZ	253	78,8	256	80,0	28	8,7	30	9,4
KARAGANDA	471	67,3	481	68,3	78	11,1	78	11,1
KOSTANAY	4 182	100	4 261	100	1 200	29,2	1 250	30,0
PAVLODAR	379	57,3	384	62,9	82	12,4	83	13,6
NORTH-KAZ	3 455	100	3 465	100	524	16,0	910	27,8
SOUTH-KAZ	84	35,3	90	41,0	3	1,3	4	1,8
TOTAL	12 859	84,0	13 113	86,5	2 573	16,8	3 029	20



Министерство сельского хозяйства Республики Казахстан

www.minagri.gov.kz

Seeds quality as of April 10, 2015

000 tons

regions	Seeds applied for inspection	Seeds inspected	% to applied	Qualifies	% to applied
AKMOLA	560,2	548,8	98	538,1	98
AKTOBE	31,4	29,3	93	29,3	100
ALMATY	93,6	90,9	97	90,9	100
EAST-KAZ	115,1	109,6	95	109,6	100
ZHAMBYL	41,0	40,4	99	40,4	100
WEST-KAZ	39,5	39,4	100	38,2	97
KARAGANDA	69,2	66,5	96	66,1	100
KOSTANAY	522,9	466,6	89	466,6	100
KYZYLORDA	22,8	22,8	100	17,0	75
PAVLODAR	71,7	67,4	94	67,4	100
NORTH-KAZ	471,7	424,6	90	406,3	96
SOUTH-KAZ	43,8	43,8	100	43,8	100
TOTAL	2 082,9	1 950,2	94	1 913,8	98



Министерство сельского хозяйства Республики Казахстан

www.minagri.gov.kz

6

Grain storage capacities

8

regions	Storage capacities	Including	
		grain storage	On-farm
AKMOLA	6007,9	3905,1	2102,8
AKTOBE	765,5	540,0	225,5
ALMATY	685,2	203,2	482,0
EAST-KAZ	1137,0	522,8	614,2
ZHAMBYL	512,6	30,0	482,6
WEST-KAZ	790,6	624,8	165,8
KARAGANDA	614,1	190,1	424,0
KOSTANAY	6804,0	3873,4	2930,6
KYZYLORDA	288,1	156,5	131,6
MANGYSTAU	122,0	122,0	
PAVLODAR	900,3	190,3	710,0
NORTH-KAZ	6359,6	3677,0	2682,6
SOUTH-KAZ	166,4	73,9	92,5
TOTAL	25153,3	14109,1	11044,2



Министерство сельского хозяйства Республики Казахстан

www.minagri.gov.kz

Deteriorating Soil Fertility in Kostanai: According to the regional agriculture department, the soil fertility of agricultural land in the Kostanai region is deteriorating, although the region does not have soil research facilities or specialists that conduct regular testing. Sixty-two percent of the agricultural lands in the region, or 2.3 million hectares, have low nitrogen levels and thirty percent, or 1.1 million hectares, have low phosphorus concentrations. Moreover, every year less fertilizer is used. In 2013, 24,000 tons of fertilizers were applied. In 2014, applications dropped to 21,500 tons and applications in 2015 are down to 17,000 tons. In the last five years, the average crop yield in the Kostanai region – Kazakhstan’s breadbasket – decreased by 2.4 centners per hectare, compared with the previous five-year period.

ANIMAL HEALTH:

Kazakhstan Applies for FMD-Free Status: In March, the Kazakh Ministry of Agriculture submitted two applications to the World Organization for Animal Health (OIE) seeking official status as an FMD-free country. Kazakhstan expects to obtain this status at the next OIE World Assembly in May 2015 after OIE experts review the country’s application. If OIE confirms the FMD-free status, Kazakhstan will be able to export animal products to the European Union and WTO countries from nine regions with no-vaccination. Currently nine regions of Kazakhstan are FMD-free without vaccination, whereas five regions including Almaty, Zhambyl, South Kazakhstan, East Kazakhstan, and Kyzylorda oblasts are part of the buffer zone where full-scale FMD vaccination is practiced. In June 2014, the Kazakh Ministry of Agriculture reported a significant decrease in the number of FMD outbreaks from 17 in 2011-2012 to only 3 in 2013.

DOMESTIC SUPPORT:

Food Corporation Makes Allocation for Planting Crops: The Food Corporation announced that over 11 billion tenge has been allocated to farmers for planting crops. Applications as of early April had already exceeded 13 billion tenge. The National Company Food Corporation, the state operator of grain purchases, is wholly owned by National Holding KazAgro. In addition, the Minister of Agriculture Asylzhan Mamytbekov, announced that the Agribusiness Recovery Program has been expanded. As part of the additional budget allocation to support agriculture, it is planned to increase the amount of financing of the program of agribusiness entities from 300 to 500 billion tenge. He noted that 13 billion tenge will be allocated to support livestock.

EAEU:

Eurasian Economic Commission to discuss Kazakhstan/Russia Trade Restrictions: The Eurasian Economic Commission (EAEU) recently met to discuss Kazakhstan's introduction of trade restrictions on several Russian products. Reports of Kazakh bans of Russian imports have included:

- 2.5 tons of Russian dairy products which were removed from the shelves after testing positive for E. coli;
- Products sold by 11 Russian vendors were pulled from shelves for sanitary/phyto-sanitary and labeling violations when testing revealed the presence of E.coli bacteria, excessive sodium, and other violations of Kazakhstan's consumer standards;
- A variety of products, including mayonnaise produced by ESSEN Production in the Samara region and by Zhirovoy Kombinat in Saratov, butter produced by PK Rost in Novossibirsk, vegetable oil by MEZ Yug Rusi Rostov and chocolate by Moscow Confectionary Factory Red October were pulled for failure to comply with the food specifications of the manufacturer.

It has been reported, that in turn the Russian Federal Service for Surveillance on Consumer Rights Protection and Human Wellbeing (Rospotrebnadzor), claimed some dairy products and vegetables from Kazakhstan did not comply with the regulatory and technical requirements and ordered the removal of the food products from retail shelves in Russia. However, the Kremlin denied that Russia is caught up in a trade war with Kazakhstan. Some press has speculated that the disputes were triggered between the two countries as Russian imports, made cheaper by the drastic devaluation of the Russian ruble, threatened sales of domestic products.

OTHER:

Agricultural Production in Kazakhstan Up: During the period January to March 2015, Kazakhstan produced 254.281 billion tenge of agricultural products, for an increase of 3% from the same period last year. During the reporting period, livestock production reached 244.478 billion tenge in value, up 3.1% year-on-year, and crop production stood unchanged at 9.713 trillion tenge, according to statistics. The number of cattle grew 3% year-on-year, to 6.813 million head, the number of goats increased 1.7% to 2.880 million head, the number of horses grew 9.5% to 1.977 million head and the number of sheep increased 3.2% to 18.22 million head. The number of pigs decreased 4.9% to 941.300 head.

DATA:

