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Foreign Agricultural Service

GAIN Global Agricultural Information Network

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Report Name: Very Heavy Rains Cut Kazakh Production - Grain and Feed Voluntary Update

Country: Kazakhstan - Republic of

Post: Astana(Nur-Sultan)

Report Category: Agricultural Situation, Grain and Feed

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Report Highlights:

Biblical rain in Kazakhstan's major growing regions has cut wheat and barley production, reducing its quantity and quality. In the previous Kazakhstan Grain and Feed Report, Post warned that if the worst-case scenario of rains occurred during harvest, up to 10 to 15 percent of the barley and wheat crop could be lost. Post has revised the production estimate for wheat down from 15.8 MMT to 14.2 MMT and barley down from 3.4 MMT to 3.0 MMT, or 10 percent less than the August 20 estimate.

In the previous Kazakhstan Grain and Feed Report KZ2024-0006, Post warned that if the worst case scenario of rains occurred during harvest, up to 10 to 15 percent of the barley and wheat crop could be lost. Due to almost daily rain in Kazakhstan's major growing regions, wheat and barley production has been reduced in quantity and quality.

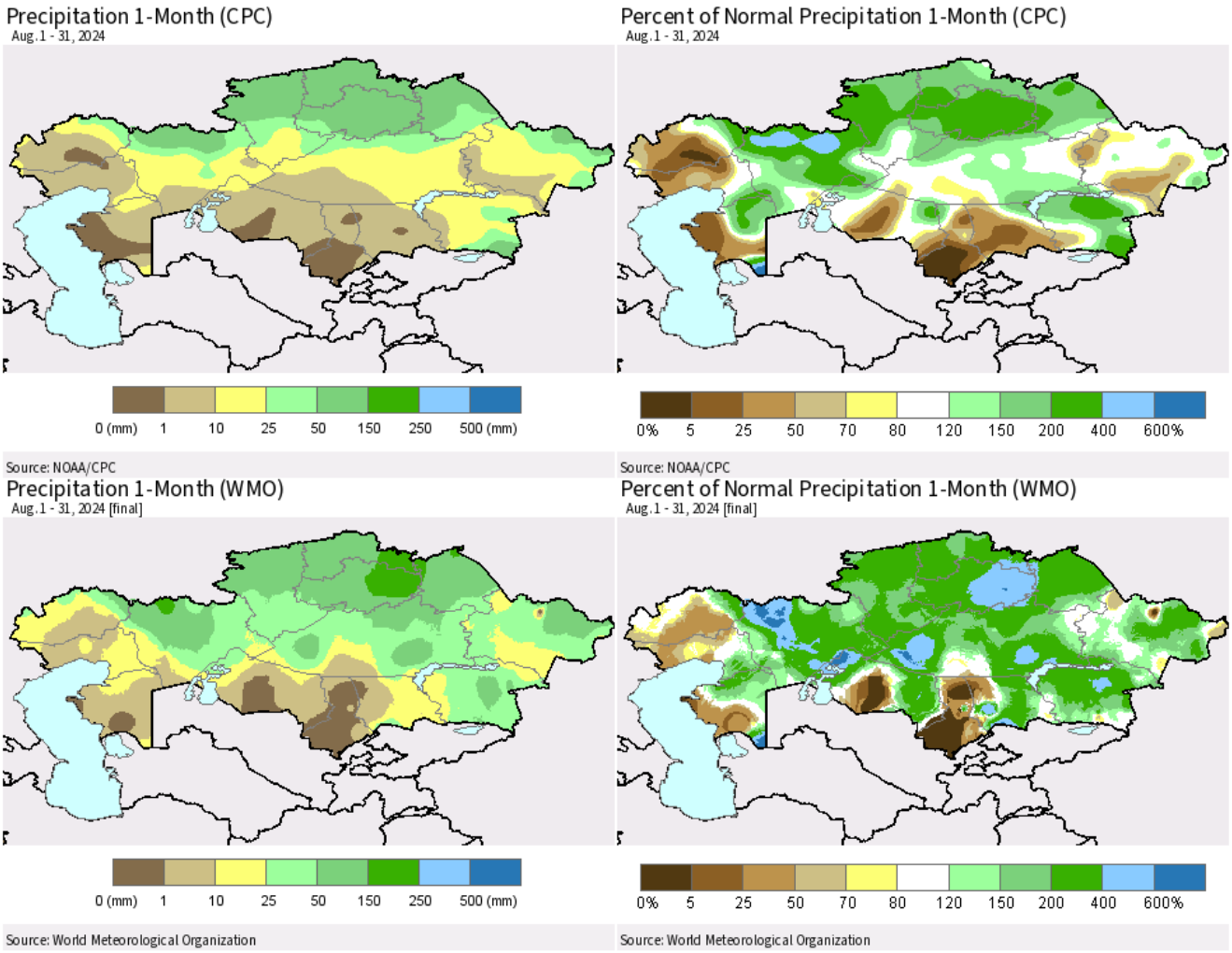
Farmers report grain becoming wet and putrid and falling onto the ground; they estimate most of the current crop has fallen from grades 1 and 2 to grades 3 and 4. The Kazakh grading system is based on the Soviet system, with grade 1 being the best and 5 being the worst. Based on the abovementioned factors, Post has revised the production estimate for wheat down from 15.8 MMT to 14.2 MMT and barley down from 3.4 MMT to 3.0 MMT, or 10 percent smaller from the August 20 estimate.

According to the Ministry of Agriculture report as of September 2, 2024, farmers harvested 4.2 million hectares of grain crops at average yields of 1.5 tons per hectare producing 6.4 million tons. 3 million hectares of wheat has been harvested with average yields 1.5 tons per hectare producing 4.5 million tons. Barley has been harvested on 926,700 hectares with average yields 1.6 tons per hectare producing 1.5 million tons. Harvest has just begun and roughly 70 percent of the wheat and barley crops remain to be harvested.

Most producers in Kazakhstan rely on field drying prior to harvest, but the practice is proving very challenging with high moisture and continued rains. Therefore farmers from the grain producing areas requested an additional 67,700 tons of diesel fuel and 21,500 tons of liquified petroleum gas (LPG) for use in drying machines at a preferential price from the government. Kazakhstan has roughly 1,301 grain dryers, of which 80 percent are diesel and 20 percent are LPG.

Also noted in previous reporting, Kazakhstan was considering restrictions on all wheat imports. The government has now approved restrictions on the import of wheat from all countries in all forms of transportation, including from EAEU members, except for transit or for movement between member states of the EAEU. Wheat may transit Kazakhstan but not end up in Kazakhstan. The order comes into force on August 21, 2024, and is valid until December 31, 2024. This order is aimed at tightening restrictions on Russian origin wheat into Kazakhstan to relieve strong price competition during the fall harvest. Please refer to the decision, the corresponding Order of the Minister of Agriculture of the Republic of Kazakhstan dated August 19, 2024 No. 278 "On Certain Issues of Import of Wheat into the Territory of the Republic of Kazakhstan."

Percent of Normal Precipitation Data Showing Rain Well Above Average



Source: [USDA FAS IPAD Crop Explorer]