

# Kazakhstan Market Information: Agriculture, Agricultural Technology, & Food Processing Industries

(Prepared by Scott J. Sambucci, Director Economic Information Services, [www.economicis.com](http://www.economicis.com))

This document describes the market opportunities and the private and public sector support for the Kazakh **Agricultural, Agricultural Technologies, and Food Processing Industries** as related to Kazakhstan's national economic strategy. Additional information about these markets in Kazakhstan is available upon request.

**The Innovation Industrial Development Strategy: 2003-2015** (Strategy) was announced by the Republic of Kazakhstan in 2003. The Strategy formulates the state economic policy through 2015 and aims to support sustainable economic development through non-extraction oriented economic diversification. **The Strategy provides over \$1 billion in foreign direct investment opportunities available to the international business community in identified economic sectors.**

To download a copy of the Strategy, go to: <http://www.kazakhembus.com/BusinessandEconomy.html>

**Agricultural Initiatives**, as quoted from the Strategy:

"Kazakhstan is one of large grain producers in the world. An increase in grain processing can become a starting point for a multi-sector value-added chain. This chain can be developed through deepening **technological grain processing, production of fodder, livestock, meat and dairy products**. The value-added chain may include grain storage facilities, producers of agricultural machinery and mineral fertilizers, natural food dyes, pharmaceutical products, biotechnologies, etc."

**Agricultural Technology Initiatives**, as quoted from the Strategy:

"Currently there is a certain research base available in Kazakhstan for development of science intensive productions based on domestic developments in: **Biotechnology (new varieties and gene types of agricultural crops and animals, bacteria strains, etc.)** . . ."

**Dependence on Agriculture on GDP growth**, as quoted from the Strategy:

". . .both export and internal consumption in the planned period foundation should be building up to ensure sustainable development of the economy through industrial and **agricultural modernization**, drastic revision of the entire investment and construction cycle."

"Increase Farm Products Processing from 38.1% of GDP in 2001 to 45-46% of GDP by 2015."

**The Business Information Service for the Newly Independent States (BISNIS)** provides market information and trade leads with a focus on former Soviet countries, including the Republic of Kazakhstan. BISNIS trade representatives prepare economic sectors reports on an ongoing basis. Below are excerpts from a recent report on the **Agriculture Industry**. For the full report prepared by Svenlana Vorolina, BISNIS Trade Representative, visit: <http://www.bisnis.doc.gov/bisnis/bisdoc/0411KZagribusiness%20report.htm>

- "In 2003, a land reform bill allowing for **private land ownership** was passed. . . Foreign companies and individuals may still gain control of agricultural land through a Kazakhstan-registered company and invest in agricultural production."
- Modern technologies are under development "for the production of hi-tech products, such as **bio-ethanol, high-octane fuel accelerator, or high-quality gluten** for the food industry and enriched yeast for cattle feeding. One such project is to be implemented soon in Northern Kazakhstan by a local company."
- "**Stockbreeding and animal husbandry** account for approximately 46% of total agricultural output. . . Development of livestock breeding and improvement of selective qualities of the livestock population are also highlighted in the national strategy amongst the government's long-term priorities. There are plans to allocate **\$7.7 million for pedigree cattle and other livestock breeding development** in 2005."
- "Based on the Ministry of Agriculture's estimates, almost 85% of the machinery currently being used in Kazakhstan is at least 12 years old and needs to be replaced, requiring up to \$320 million of investments for renovation. . . Kazakhstan has new leasing laws and there are over 17 private and public leasing agencies that are ready to purchase new and used agricultural equipment for lease."

**The International Science and Technology Center (ISTC – [www.istc.ru](http://www.istc.ru))** is an international multilateral organization that coordinates the efforts of government, public sector, and international agencies, providing weapons scientists from Russia and the Commonwealth of Independent States new opportunities in international partnership. Selected scientists in Kazakhstan conduct applied research activities in the **Agricultural Science and Technology** fields at research institutes such as:

- Akmolinskiy Agrarian University, Astana
- Institute of Plant Physiology, Genetics, and Bioengineering, Almaty
- National Biotechnology Center of Kazakhstan / Scientific Research Agricultural Institute, Gvardeiski
- Institute of Plant Physiology, Genetics and Bioengineering, Almaty

**These scientists are available for new and existing research and development projects**, and are available for international partnerships with American firms seeking new market opportunities and research resources.

A full list of proposed, ongoing, and completed projects is located in the ISTC database, found at: [www.istc.ru](http://www.istc.ru). Click on “TECH-DB.” Site registration is required and is free to all users.

### **Food & Agriculture Exhibitions and Marketing Opportunities**

From November 2-5, 2005, Kazakhstan will host the following international expositions in Almaty:

- World Food, Kazakhstan
- AgroWorld, Kazakhstan
- WorldFoodTech, Kazakhstan
- Ingredients, Kazakhstan

These simultaneous exhibitions provide local, regional, and international food growers, suppliers, processors, manufacturers, and distributors with the ability to educate themselves about the Agriculture & Food Processing industry in Kazakhstan. For more information, visit: <http://www.iteca.kz/en/events>.

Companies and organizations are encouraged to attend:

## **2005 KAZAKHSTAN Industrial and Innovation Strategy: New Business Opportunities TRADE AND INVESTMENT CONFERENCE September 8-9, 2005 San Diego, California**

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**Register by August 19th and save \$100! Register online at [www.jmkcontact.com](http://www.jmkcontact.com)**

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Hosted by:

**THE EMBASSY OF THE REPUBLIC OF KAZAKHSTAN  
U.S.-Kazakhstan Business Association, San Diego World Trade Center  
The Asia Society, U.S. Chamber of Commerce**

The conference will include presentations by the Deputy Prime Minister, Minister of Industry and Trade; Minister of the Economy and Budget Planning; and other government officials from Kazakhstan, and will provide opportunities for U.S.-based firms to establish business contacts in these and other industrial sectors. To view the conference program and to register, please visit:

**[www.jmkcontact.com](http://www.jmkcontact.com)**

For questions regarding the conference, please contact:  
**Julia Karpeisky, [events@jmkcontact.com](mailto:events@jmkcontact.com), 202-857-9736**  
**Scott Sambucci, [scottsambucci@economicis.com](mailto:scottsambucci@economicis.com), 415-596-0804**