Recommendations to Sustainable Development of Wheat Sector in Kazakhstan

Astana 2014
Contents
List of acronyms/abbreviations ................................................................................. 3
Introduction .................................................................................................................. 4
General characteristics of production and market of wheat ................................. 4
Wheat Export from Kazakhstan .................................................................................... 5
The price situation in the domestic market of Kazakhstan ....................................... 6
Studying the cost of wheat farms in Kazakhstan ....................................................... 6
Basic infrastructure problems of grain exports ......................................................... 50
Optimizing Infrastructure grain exports ................................................................. 50
Analysis of the market capacity of traditional importers of Kazakh grain .............. 50
Direction and effectiveness of public support for crop ............................................. 53
BASIC PROBLEMS OF GRAIN PRODUCTION ......................................................... 55
FAVORABLE FACTORS OF INDUSTRIAL WHEAT SECTOR DEVELOPMENT ........ 56
Conclusions: ............................................................................................................... 56
Expected yield reduction associated with unfavorable weather conditions in major wheat belt ......................................................... 57
DETERMINING FACTORS FOR THE COMPETITIVENESS OF GRAIN PRODUCTION ..... 61
POTENTIAL GRAIN MARKETS AND MARKET NICHES ....................................... 61
ANALYSIS OF THE CURRENT EXPORT PRICES FOR GRAIN .............................. 62
DETERMINING APPROPRIATE TECHNOLOGY (BY REGIONS) ............................. 66
IMPROVING THE REGULATORY FRAMEWORK ....................................................... 67
ORGANIZATIONAL MEASURES INCREASE PRODUCTION AND IMPROVE THE QUALITY OF GRAIN ................................................................. 70
DEVELOPMENT OF GRAIN PRODUCTION AND EXPORTS ................................. 71
STUDYING THE COST OF GRAIN PRODUCTS IN KAZAKHSTAN ......................... 75
Conclusions on the cost of grain and grain products .............................................. 76
Analysis of the state of grain-processing industry ................................................... 76
Basic problems of grain processing industry ......................................................... 78
Favorable factors of industry development ............................................................ 79
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRM</td>
<td>Climate Risk Management Project</td>
</tr>
<tr>
<td>CRW</td>
<td>Climate Resilient Wheat Project</td>
</tr>
<tr>
<td>CACILM</td>
<td>Central Asian Countries Initiatives on Land Management</td>
</tr>
<tr>
<td>CARRA</td>
<td>Central Asian Regional Risk Assessment</td>
</tr>
<tr>
<td>CO</td>
<td>Country Office</td>
</tr>
<tr>
<td>CCRD</td>
<td>Climate change and Resilience development</td>
</tr>
<tr>
<td>DRM</td>
<td>Drought Risk Management</td>
</tr>
<tr>
<td>ECHO</td>
<td>European Commission humanitarian office</td>
</tr>
<tr>
<td>CGIAR</td>
<td>Consultative Group on International Agricultural Research</td>
</tr>
<tr>
<td>IRI</td>
<td>International Research Institute for Climate and Society</td>
</tr>
<tr>
<td>IFAD</td>
<td>International fund for Agricultural Development</td>
</tr>
<tr>
<td>CYMMIT</td>
<td>International Maize and Wheat Improvement Center</td>
</tr>
<tr>
<td>NDMA</td>
<td>National Drought Management Authority</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
</tr>
<tr>
<td>WOCAT</td>
<td>World Overview on Conservation Approaches and Technologies</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>USAID</td>
<td>United State Agency for International Development</td>
</tr>
</tbody>
</table>
Introduction
The Kazakhstan is one of the major wheat producers in the world along with other cereals crops mostly grown on the northern regions of the country. The climatic conditions on the north are very favorable to cultivate cereals crops. Compared to the northern part of the country the southern region are favorable for the cultivation of cotton, sugar beet, rice, yellow tobacco, orchards and vineyards. The Government of Kazakhstan promotes the issue of agricultural diversification which has so far resulted to the expansion of the agricultural cropping areas by 5.1%, oil crops, 35%, fruits, 17%, sugar beet. These figures also indicate the diversification of the domestic market with the food products. In order to ensure a cost efficiency of agricultural production system various the agricultural technologies are being introduced. As part of these development initiatives a water saving technologies were introduced and since 2013 an area of 9.6 million hectares or 47% of the wheat crops were cultivated by the water saving technologies which is more than 2.6 million hectares compared with 2012.
The gross wheat harvest in 2013 totaled 22.5 million tons in the initial survey, with an average yield of 2.1 mt / ha. These volumes provide the domestic demand for wheat and retain the export potential of the country. Volumes of production of other crops, provided support from the state, also provide for the needs of the domestic market of the country.
The objective of this recommendation is to provide a guidance for the development of the production of grain in Kazakhstan. It considers different climate shocks and stresses that might also impact the production capacity of the wheat production sector. In addition, the recommendation includes a list of promising products with potentially high competitiveness and market niche; package of measures to stimulate the development and improvement of investment attractiveness of the industry; approaches to attract private capital and institutional support for the development of the wheat production sector.

General characteristics of production and market of wheat
A special place in agricultural production in Kazakhstan takes the wheat production sector. Among the CIS countries for the production of wheat in Kazakhstan ranked in the third place after Russia and Ukraine. The balance of production and consumption of grain in Kazakhstan shows Internal Market own production order by 157%. Average annual volume of cereal imports estimated at 55 thousand tons, which is just in the domestic consumption of 0.3-0.5%.
Gross harvest of 22.5 million tons produced in 2013 is higher for 9.6% more than in 2012. Area under wheat was 16.5 million hectares; an increase over the previous year was 4.5%. Thus in Shortandy, Kostanai and North Kazakhstan region centered about 80% of the national area. Over 67% of all wheat produced in 2013 accounted for agricultural enterprises. The balance of production of wheat and flour in grain equivalent in 2013 shows that more than 44% was exported, 39% or 6091.6 tonnes used for food purposes, for fodder and seed consumption was 2797 and 2090.2 thousand tons, respectively. Wheat is the main cereal crop, cultivated in Kazakhstan. Overall grain production in 2013, the share of wheat was about 81%, while about 70% or 12.7 million tons of wheat produced on farms. Another important factor is that the wheat harvest in 2013 is characterized by high quality parameters. Thus, the share of wheat grades 1-3 was about 91%, while for the last three years; this figure does not exceed 75%. It should be noted that the State has developed a new standard for wheat,
harmonized with international requirements, which would establish differentiated quality requirements, taking into account the end-use areas, which is incorporated in the current year. In the list of mandatory classes determinants included the following parameters: protein content, "falling number" and others that will be exported grain to set consumer properties. In connection with the accession to the WTO, in order to transition to the international system of technical regulation adopted technical regulation "Requirements for Safety grain", which entered into force in April 2009?

Said Regulation establishes harmonized with international standards safety requirements for food grains and the processes of its production, storage, transportation, sale, destruction and disposal, taking into account types of hazards.

**Wheat Export from Kazakhstan**

Kazakhstan occupies a leading position among the world's major grain exporters. According to the UNDP experts in 2013, the volume of grain exports, Kazakhstan ranked seventh in the world. Kazakhstan is known as a global supplier of wheat. In 2013, exports have been implemented in 36 countries. Main exports of Kazakh grain traditionally accounted for the CIS countries. However, in recent years, their share is significantly reduced, if it was 62% in 2010, in 2011 - 89%, and in 2012 decreased to 36% and in 2014 it increased to 51%. From foreign countries in 2013, the basic supplies fell on Egypt, Turkey, Tunisia and Afghanistan. The northern export direction (Russia, FOB-s Black, Azov and Baltic Seas) supplied annually to 4.6 million tons of grain (including 200 tons of flour). While the share of exports in this area has declined in total from 73% in 2010 to 66% in 2012.

In the West (Azerbaijan, Iran, Turkey) and South (Uzbekistan, Turkmenistan, Kyrgyzstan, Tajikistan and Afghanistan) export routes implemented annually to 3.3 million tons of grain (including 21 million tons of flour). While the share of exports in these areas respectively increased in total from 16% in 2006 to 35% in 2008.

Table 1. The main importing countries of Kazakhstan wheat for 2011-2013, thous. MT

<table>
<thead>
<tr>
<th>Country</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egypt</td>
<td>48,5</td>
<td>352,4</td>
<td>744,2</td>
</tr>
<tr>
<td>Turkey</td>
<td>462,8</td>
<td>670,4</td>
<td>605,1</td>
</tr>
<tr>
<td>Tunisia</td>
<td>0</td>
<td>754</td>
<td>557,1</td>
</tr>
<tr>
<td>Turkmenistan</td>
<td>2,4</td>
<td>132,8</td>
<td>430,9</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>425,3</td>
<td>894,4</td>
<td>389,3</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>33</td>
<td>34,8</td>
<td>310</td>
</tr>
<tr>
<td>Kyrgyzstan</td>
<td>211,1</td>
<td>350,2</td>
<td>286,7</td>
</tr>
<tr>
<td>Iran</td>
<td>27,9</td>
<td>153,3</td>
<td>212,9</td>
</tr>
<tr>
<td>Tajikistan</td>
<td>216,4</td>
<td>330,6</td>
<td>202,7</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>117,3</td>
<td>141,6</td>
<td>182,2</td>
</tr>
<tr>
<td>Germany</td>
<td>0</td>
<td>161,6</td>
<td>163,3</td>
</tr>
<tr>
<td>Norway</td>
<td>42,7</td>
<td>126,1</td>
<td>157,9</td>
</tr>
<tr>
<td>Russia</td>
<td>1371</td>
<td>459,6</td>
<td>147,7</td>
</tr>
<tr>
<td>Italy</td>
<td>126</td>
<td>262,2</td>
<td>108,9</td>
</tr>
<tr>
<td>Others</td>
<td>1110,4</td>
<td>1354,1</td>
<td>451,9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4194,8</strong></td>
<td><strong>6178,1</strong></td>
<td><strong>4950,8</strong></td>
</tr>
</tbody>
</table>

Source: Committee on Statistics of RK
The price situation in the domestic market of Kazakhstan

On average, in 2013 the prices for the 3-grade of wheat product, compared with 2012 reduced insignificantly by 0.7 – 0.9 times. Situation is caused by changes in world market conditions grain. Maximum prices in 2010 were recorded in July month - up to $ 356 / ton, from August until the end of the year prices fell in December; the price is fixed at - $ 217 / ton. Comparing the price for December 2012 with the same period in 2011, a decrease in prices by 4%.

Studying the cost of wheat farms in Kazakhstan

In 2012 and 2013 the production of 100 kg of wheat was spent 1103.4 and 1594.9 tenge respectively. The largest share in the structure of costs are expenses for fuel, they make up 17-19%. Seeds (15-17%), wages (12.5-13.5%) and parts (10.3%) are also major components of cost. On the other costs also drop significant amounts of funds. The smallest amount of funds spent on the water, due to the technological feature of farming (rainfed agriculture) in the northern regions, where the bulk of the wheat is grown. Similarly, many times less energy is required, which also explains the specifics Agrotechnological wheat cultivation in the north of the country. On the share of mineral fertilizers account for about 5-6% of total costs.

Overall, in 2013 the cost of 100 kg of this crop was at 1594.9 tenge in the country, which is higher than the previous year by 44.5%. The increase in spending occurred in all cost items that caused inflationary processes, ie the appreciation of productive resources (materials and services). Relatively high share in the cost of wheat production costs take the following items: the share of fuel costs in 2012 and 2013 was respectively 17.4% and 19% for seeds - 15.5 and 16.7%, for the salary - 13 , 5 and 12.5%, “spare parts, repairs and building materials” - by 10.3%, for the maintenance of plant and equipment - 9.5 and 10.2%, other expenses - 21.3 and 18.6%.

Cost efficiency of 1 mt of wheat in Kazakhstan

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel</td>
<td>191.6</td>
<td>17.4</td>
<td>302.8</td>
<td>19.0</td>
<td>58.0</td>
</tr>
<tr>
<td>Other expenses</td>
<td>234.6</td>
<td>21.3</td>
<td>296.7</td>
<td>18.6</td>
<td>26.5</td>
</tr>
<tr>
<td>Seeds and planting materials</td>
<td>171.2</td>
<td>15.5</td>
<td>265.7</td>
<td>16.7</td>
<td>55.2</td>
</tr>
<tr>
<td>Salary/fee</td>
<td>149.0</td>
<td>13.5</td>
<td>199.4</td>
<td>12.5</td>
<td>33.8</td>
</tr>
<tr>
<td>Spare parts, repair works</td>
<td>113.7</td>
<td>10.3</td>
<td>163.9</td>
<td>10.3</td>
<td>44.1</td>
</tr>
<tr>
<td>Expenses for maintenance</td>
<td>104.9</td>
<td>9.5</td>
<td>163.2</td>
<td>10.2</td>
<td>55.6</td>
</tr>
<tr>
<td>Expenses for services and works</td>
<td>80.1</td>
<td>7.3</td>
<td>99.4</td>
<td>6.2</td>
<td>24.2</td>
</tr>
<tr>
<td>Mineral Fertilizers</td>
<td>49.7</td>
<td>4.5</td>
<td>90.2</td>
<td>5.7</td>
<td>81.5</td>
</tr>
<tr>
<td>Electricity</td>
<td>7.0</td>
<td>0.6</td>
<td>10.7</td>
<td>0.7</td>
<td>52.6</td>
</tr>
<tr>
<td>Water fee</td>
<td>1.6</td>
<td>0.1</td>
<td>2.9</td>
<td>0.2</td>
<td>78.5</td>
</tr>
<tr>
<td>Total</td>
<td>1103.4</td>
<td>100.0</td>
<td>1594.9</td>
<td>100.0</td>
<td>44.5</td>
</tr>
</tbody>
</table>

Source: Agency for statistics of RK
In 2013 compared with the previous year cost growth of wheat was recorded in all regions except the West Kazakhstan and Astana. A significant increase in cost occurred in the areas of eastern and southern regions. This is mainly due to the fact that in these regions in 2008 turned out to be a bad harvest due to drought, i.e., cost of goods sold increased due to lower yields (decrease of gross harvest). The increase in cost was noted in the northern regions of the main grain. The increase in spending occurred in all cost items, including almost all areas studied for years had risen in price of fuel, fertilizer, seed, and wage increases. Increased maintenance costs of fixed assets indicate the increased use of high-tech expensive equipment. In absolute terms the cost of "lead" the southern region, where irrigated agriculture requires significant investment. Information presented above show an increase in cost of one quintal of wheat in Kazakhstan in 2008 compared with 2007 by 44.5% or 491.5 tenge.

These changes are due to the relatively low yield and high costs of cultivation of this crop. Application of the method of chain substitutions to determine the involvement of each of these factors in the change in the general level of cost. As already mentioned, the cost per quintal of wheat in 2008 developed more than in 2007, 491.5 m. In this case, if the decline in wheat yields in 2008 to 9.7 t / ha (3.3 t / ha) resulted in an increase in cost of sales 374.7 tenge, resulting in increased costs of funds per hectare cost of acreage increased by 116.8 tenge. In another way, 76.2% increase in cost was due to lower yields and 23.8% due to cost overruns cost per hectare acreage.

In turn, the increase in costs is accompanied by both quantitative and qualitative changes in the production process, i.e., there is a rise in prices of inputs, and increasing capital—that argues the growth of investments by major object.

Table 3. Factorial analyses of cost efficiency for the wheat production in the RK

<table>
<thead>
<tr>
<th>Indicators</th>
<th>2012</th>
<th>2013</th>
<th>2012 to 2013</th>
<th>Factors that influences into a changes of the cost effectiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses for 1 ha of planting areas, Tenge</td>
<td>14337,5</td>
<td>15470,9</td>
<td>1,079</td>
<td>Due to overspent for 1 ha</td>
</tr>
<tr>
<td>Yielding capacity, mt/ha</td>
<td>13,0</td>
<td>9,7</td>
<td>0,746</td>
<td>Due to lessening of yields</td>
</tr>
<tr>
<td>Cost effectiveness, 1 mt of products (mass after processing), Tenge</td>
<td>1103,4</td>
<td>1594,9</td>
<td>1,446</td>
<td>Increase of cost effectiveness</td>
</tr>
<tr>
<td>Conditional cost effectiveness for 1 mt of products on the expenditures in 2012, Tenge</td>
<td>x</td>
<td>1478,1</td>
<td>x</td>
<td></td>
</tr>
</tbody>
</table>

Source: Agency for Statics of RK

Cost of quintals of wheat in 2013 formed above the 2012 level of 44.5%. As noted above, while on the increase in cost was influenced by increase costs for all items. Of the total change (44.5%) 8.6% due to increased costs in 'seeds and planting materials,"4.6% - under" salary ", 5.3% - in' maintenance costs of fixed assets" by 10.1% and 3.7%, respectively - in the articles "fuel" and "Fertilizer." Increasing energy costs by 52.6% led to an increase of 0.3%
means. "Increasing energy costs by 52.6% led to an increase of 0.3% means.

However, the pace of recovery in land sown crops were not the same in different regions. In the whole country grain sowing area for ten years (1998-2013 gg.) Increased by 19.7%. However, the increase was only grain crops in the northern and eastern region, while in the western and southern regions went continued abandonment of arable land in fallow.

In the northern region of the return of abandoned land in production was most intense, an increase of 36%. This reflects the real possibility of large grain holdings to invest in development of deposits. These technologies require considerable expenses, because the recovery of deposits left without care for ten years or more, requires considerable resources, primarily for weed control. Small farms have virtually no such possibility. Often receive large holdings for development of fallow land that previously belonged to farmers. Most commonly, this process was in the Akmola region, where for ten years grain crop area increased by half. In Kostanai region as grain sowing increased by nearly 1.2 million hectares, or 39.9%, mainly due to the development of deposits. In North Kazakhstan region expansion grain sowing was 18.3%, which is considerably less. This is explained by the fact that in this area of land of better quality and there was less land abandoned to fallow. In deposits were mostly good quality land, but located in more remote areas, or that the former collective farms had no strength to handle because of the lack of resources. The same increase in the area sown grain noted in Eastern Kazakhstan. In Karaganda region there was a slight increase in the area sown grain (8.2%) at the expense of fallow land.

During these years, in the western region of grain crop area were not restored, and continued abandonment of arable land in fallow. A total reduction of grain sowing ten years in Aktobe and West Kazakhstan region was 27.2% and 34.6%. This is because in general the earth in the region of a lower quality. They were involved in the production in the Soviet period, when no one was considered a cost in the name of increasing grain production. Most of these lands are not subject to return to farmland. If resources are available, of course, a small portion of these lands can be used for grain production. The same reduction in the area sown grain was observed in all three areas of the southern region: 14.7% in Zhambyl region, 21.6% in South Kazakhstan and 22.2% in the Almaty region. In this region, there are about 1 million hectares of grain sowing. Mainly (90%) is rain-fed land, the so-called unfunded (with insufficient collateral moisture) and semi - furnished rainfed. Here sow crops in the hope of rain, which is not enough. In addition, the overall decline of farming puts sowing of winter wheat under high risk that the peasants did not go because of lack of resources.

The main crops are wheat. It occupies 80% of the area of crops. In the southern region of sowing winter wheat, the rest of the republic - spring wheat. Area sown wheat mainly concentrated in Northern Kazakhstan. This predominance of wheat increased in recent years.

Dynamics of land sown with wheat mainly coincides with the dynamics of grain sowing, but not everywhere. Particularly noticeable increase in the area sown wheat in the northern region.

For ten years the crops in the republic increased 2,821 million ha, or 26.4%. This was mainly due to the north, where wheat crop expanded by 45.8%.

In Akmola region expansion was 53.4%. This is a huge area, is more than 1.2 million hectares. For comparison, we can say that it is equal to the area sown wheat in Uzbekistan, and more acreage than in countries such as Kyrgyzstan, Turkmenistan and Tajikistan.
In Kostanai region area of wheat increased by 1.3 million hectares or 52.3%, although the grain expanded by 40%. This was due to the reduction of barley. This is done because more cost-efficient production of wheat compared with barley. In East Kazakhstan followed a similar trend. A slight increase in the area sown wheat mentioned in the Karaganda region. In the western region noted a strong reduction in wheat sowing due to the low yield of wheat, particularly in highly dry years. In the southern region of the reduction in the area sown wheat was more than grain crops: in Almaty region by 32.6%, in Zhambyl 29.7% in SKO 21.8%. The reasons are the low wheat yields in the region. Currently, the republic has 226 licensed grain companies with a total storage capacity of 14.0 million tons. In addition, agricultural producers available in 6391 granaries total capacity 8.0 million tons, including storage of seed grain - 2.5 million tons of coarse grains - 1.4 million tons of marketable grain - 4.1 million tons.

The total storage capacity of grain in the country is about 22 million tons. However, significant physical deterioration of technological equipment for primary processing of grain leads to the accumulation of currents on whole grains, which delays harvesting time of crops and increases the loss of grain. To avoid this, the economy forced straight from the fields to transport the grain to the elevators, remote 50-70 km from the cleaning. As a result of 7-8% increases the amount of unproductive traffic increases in the fields harvesting simple and in elevators increases energy consumption for cleaning and drying of grain. In order to ensure timely undermining of grain, especially in northern Kazakhstan, it is necessary to upgrade the existing points of acceptance and undermining the primary grain (grain storage) in order to increase their productivity as well as to introduce new capacity. Note that in the future, given the expected growth in productivity and gross grain, this problem will become more acute. Currently administered small capacity for grain storage (mini-elevatory) storage capacity from 5 to 50 tons. Thus, in paragraph Zhaksy of Akmola region entered into force on 1 elevator with the capacity of 50 thousand tons in Esil district of Akmola region - 2 elevator with capacity of 5 and 8 tons in Uralsk West Kazakhstan region - one elevator with the capacity of 15 thousand tons. Cost-effectiveness analysis of grain production in the context of cultures.
### Analyses of economic effectiveness of the autumn wheat varieties

<table>
<thead>
<tr>
<th>Years</th>
<th>Area, thous/ha</th>
<th>Yield mt/ha</th>
<th>Gross harvest, thous/mt</th>
<th>Expenses, mln. tenge</th>
<th>Cost effectiveness per 1 Mt, Tenge</th>
<th>Comprehensive income, mln. Tenge</th>
<th>Income, mln. Tenge</th>
<th>Cost effectiveness of production, %</th>
<th>Volume of state support, mln. Tenge</th>
<th>Total</th>
<th>Credits (returnable)</th>
<th>Expenses (unreturnable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>223.9</td>
<td>10.9</td>
<td>243.5</td>
<td>2258.5</td>
<td>9275</td>
<td>4180.2</td>
<td>1921.7</td>
<td>85.1</td>
<td>27.9</td>
<td>25.3</td>
<td>2.6</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>250.0</td>
<td>11.0</td>
<td>275.0</td>
<td>3357.9</td>
<td>12211</td>
<td>4720.9</td>
<td>1363.0</td>
<td>40.6</td>
<td>686.0</td>
<td>583.3</td>
<td>102.7</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>350.0</td>
<td>12.0</td>
<td>420.0</td>
<td>5015.4</td>
<td>11941</td>
<td>7210.1</td>
<td>2194.8</td>
<td>43.8</td>
<td>693.1</td>
<td>478.0</td>
<td>215.1</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>450.0</td>
<td>14.0</td>
<td>630.0</td>
<td>7125.7</td>
<td>11311</td>
<td>10815.21</td>
<td>3689.5</td>
<td>51.8</td>
<td>1421.4</td>
<td>1154.4</td>
<td>267.0</td>
<td></td>
</tr>
</tbody>
</table>
Analysis of the infrastructure of grain exports and the development of transport logistics

Remoteness from world markets and the lack of direct access to sea ports determines the particular situation of Kazakh grain exports. The average annual volume of grain exports from Kazakhstan is about 5.5-6 million tons. However, the position of Kazakh grain exporters are unstable and subject to significant fluctuations depending on the price situation, the limiting factor is the lack of development of export infrastructure. Export policy in modern times should be based on the principles of multi-vector, this approach will make it possible to diversify markets and flexibility in selecting promising areas of marketing. Kazakh grain export destinations: North - through the border crossing railway Art. Tobol, Petrovlovsk, Ozinki Aksarajskaya towards sea ports of the Black, Azov and Baltic Seas. South - through railway border crossings Saryagash, Beyneu (Uzbekistan, Turkmenistan, Kyrgyzstan, Tajikistan and Afghanistan). West - through the Aktau port, border crossing railway Art. Beyneu Aksarajski (Azerbaijan, Iran). East - through the border railway Art. Kulunda, Elbow (Russia, Mongolia), to the use of the planned areas: through the border railway Art. Dostyk - Alashankou (China). For the development of grain exports to these areas is necessary to build the best transport routes and build export infrastructure. The main tasks for enhancing exports - is the creation of infrastructure in the Caspian and Black Seas, capable of supporting the growing needs of Kazakh grain exports to these regions. Transport infrastructure for grain exports, which includes marine grain terminals in Aktau, Baku (Azerbaijan) and Amirabad (IRA), create conditions for strengthening the position of Kazakh grain exporters in the markets of the countries of the Caspian and the Caucasus. In order to reduce price risks, grain terminals is planned to link into a coherent whole with a mill complex, which will go to the markets these countries not only with raw materials, but also with the finished product having a constant steady demand. Kazakhstan's export destinations are constantly changing in the past year, beginning with the month of September decreased significantly shipment via the Black Sea ports of Russia and Ukraine. In this connection, the need to diversify the areas of sales, in this context, the prospect of acquiring southern and western directions. JSC "National Company "KAZFOODCORPORATION "currently is working on several fronts to create efficient routes for export of grain. All projects related to grain terminals in Baku (Azerbaijan), the Amir Abad (IRI) is directly related to the development program of a grain terminal in the port of Aktau, which is a reference point for such projects. After commissioning of the grain terminal in Amirabad be established transport and logistics chain for grain exports to Iran. The plans of the Corporation, the involvement of terminals in the port of Aktau and Amirabad to exit Kazakh wheat under swap transactions on the markets of third countries through the southern ports of Iran in the Persian Gulf. Another aspect of the overall strategy breakthrough export of grain and flour on the southern and western areas is the construction elevator complex with a mill in Mangistau region (station Beyneu). The project will be implemented through public-private partnership companies participating in the Grain Union of Kazakhstan. Commissioning elevator complex will allow the mill to provide grain and flour by road and rail in Uzbekistan (including Karakalpakstan), Turkmenistan and Afghanistan. As a result, the final stage will be implemented by a transport corridor in the Caspian Sea, created a sea route for grain shipments to Iran, as well as the conditions for increasing the export of grain in the direction of Turkmenistan and Afghanistan (through the station Beyneu). Kazakh grain transshipment through Aktau port in the direction of the port of Baku is the most optimal route of delivery of grain to Azerbaijan. Currently, one of the main obstacles to the development of exports through the Caspian Sea, is the use of export tariffs on rail transport to the port of Aktau, which increases the cost of Kazakh grain and makes it uncompetitive compared to Russian and Ukrainian grain. In the application of the domestic tariff for transportation of grain for export through the port of Aktau will create real economic preconditions for increasing traffic to Azerbaijan and Georgia.
Basic infrastructure problems of grain exports

1. Main export transportation of grain carried by railways. Domestic grain Cars Park is 5.2 thousand, so many cannot meet the needs of traders in the period of mass shipments. You also need to consider the time of disposal of cars from its territory while sending cars to neighboring states, also untimely return of wagons.
2. Great length of grain delivery to the ultimate consumer.
3. When delivery to Central Asia (Uzbekistan, Tajikistan, Turkmenistan, Afghanistan) transportation of grain through the station "Saragash", in connection with this form a large loading rail junction.
4. During transport to the north (Georgia, Turkey, Egypt, Tunisia, Morocco) problems in the current year:
   - High transport tariffs
   - Artificially build up obstacles on the part of the Russian Federation, and not official, in particular the main transport company Rusagrotrans approves plan of Kazakh grain transportation through the territory of Russia only if logistics services in Kazakhstan will carry Russian private company PT "Trans", which charges fees for its services in the amount of U.S. $ 20 per tonne. In this regard, significantly increases transport costs for grain exports through the Black Sea and Baltic ports.

Optimizing Infrastructure grain exports

Easterly direction: One promising area is the export of grain - China. In 2015-2016 finalize to build a rail grain terminal in the border area of China (Xinjiang) on railway crossing Art. Dostyk - Alashankou or ICBC "Khorgos". Planned annual capacity of the terminal will be about 500 thousand tons, including one-time storage silo capacity of 25 thousand tons of grain.

North direction: In addition, the Corporation studied the possibility of building a grain terminal in the port of the Black Sea (Russia, etc. Taman). Compared with the Black Sea ports of Ukraine Kazakh grain transportation route to the port of Taman 1,000 kilometers closer. At the same time, it is important that the load intersects only one boundary Republic of Kazakhstan - Russian Federation, the route passes through the country with a stable environment. In the future, this corridor has the opportunity in the coming decades to become the main route for Kazakh grain exports to the EU, the Middle East and North Africa.

Analysis of the market capacity of traditional importers of Kazakh grain.

Kazakhstan is known as a global supplier of wheat. In 2013, exports have been implemented in 36 countries. Main exports of Kazakh grain traditionally accounted for the CIS countries. However, in recent years, their share has decreased markedly. If in 2011 it was 62%, in 2012 - 44%, and in 2013 increased to 36%. This is explained by the fact that in these years, especially in 2013 in Russia and Ukraine were favorable conditions for the production of wheat. As a result, dramatically increased grain exports from those countries that have in some years, a lot of imported wheat from Kazakhstan. It should be noted that, as in Kazakhstan, the favorable market situation for wheat producers in these countries, accompanied by increased energy available in this sector, as profits allow to invest in the production of grain. From foreign countries in 2013, the basic supplies fell on Egypt, Turkey, Tunisia and Afghanistan.
The main country importer of Kazakh wheat for the period of 2012-2013 and forecast to 2020, Thousd. MT

<table>
<thead>
<tr>
<th>Country</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2020</th>
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<tbody>
<tr>
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<td>48,5</td>
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<td>Tunisia</td>
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<td>500,0</td>
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<td>894,</td>
<td>389,3</td>
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</tr>
<tr>
<td>Afghanista</td>
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<td>Total</td>
<td>4194,8</td>
<td>6178</td>
<td>14950,8</td>
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</table>

Source: Agency for Statistics of RK, and forecasts by the Academician of the Academy of Science of Kazakhstan Suleimanova M.K.

Russia in recent years has become one of the largest exporters of wheat, which is due mainly to favorable weather in the years to this culture. Strengthening the grain sector in Russia and Ukraine will allow to have big grain carryover stocks, and expected to return to the time when these countries were buying large quantities of Kazakh grain for no reason. At the same time talk about the stability of wheat production in these countries there is no reason, as the culture of agriculture remains low. According to the academician of NAS RK MK Suleimenova in the future we can expect high-quality imports of Kazakh grain Russia with large fluctuations in data from 100 thousand to 1 million tons, as the baking quality of the grain in this country is not high enough. In the case of Ukraine, these figures may vary from 100 to 500 thousand tons.

Turkey, Egypt and Tunisia imported about 600-700 thousand tons of wheat from Kazakhstan. This need not be weakened, and may increase due to population growth to 0.8-1 million tons per year. Competition can be expected from Russia and Ukraine, and to maintain this market requires improved marketing using potentially higher quality of our grain.

Azerbaijan reduced wheat exports in 2013, due to favorable weather for the harvest of wheat this year. This country will export from Kazakhstan to average at least 500 tonnes of wheat a year, since there are no significant opportunities for growth in land sown. Slight increase in wheat yields will overlap with population growth. To reinforce this trend of grain exports in the Azerbajani port of Baku built grain terminal capacity of 500 thousand tons per year. The same amount of grain will be imported from Kazakhstan.

Turkmenistan, where there are opportunities to increase the production of wheat
because of lack of water for irrigation of cotton and wheat. Iran could become a major importer of wheat from Kazakhstan more than 400 thousand tons per year. For the development of this market in 2012 was reconstructed grain terminal in the port of Aktau, his performance has been improved. Our main competitor is Russia, and our advantage as a grain, but it must be confirmed by the rise of farming and processing grain. Uzbekistan, Tajikistan and Afghanistan will remain our constant importers annual request about 400 thousand tons of grain, but they are more focused on the import of flour. Italy may significantly increase grain imports from Kazakhstan to 300 tons or more per year, if it is guaranteed to grain production of durum wheat (durum) in line with international standards. For this we need to have cooperated with the Italians work to assess the quality of durum wheat grain. Other countries will include Ukraine, Belarus, the Baltic countries and the EU, the Arab countries. Potentially a major importer of grain may be China. We must also explore the markets of the EU and Southeast Asia.

Analysis of existing barriers (tax, customs, administrative, etc.) and the state of cultivation technologies (low culture of agriculture, infrastructure, etc.), hindering the development of grain production industry. The main problem in grain production in Kazakhstan is the low level of productivity of grain crops, largely related to inadequate use of chemical plant protection products, fertilizers, low capitalization and poor technical equipment of farms. The need to improve productivity, increase in the gross fees and a wider variety of crops due to the significant role of grain production in the economy, the presence of huge land resources for its production, a large number of employed people in the grain industry and its significant export potential. Noted in recent years, the growth of grain production is mainly due to the expansion of land under crops. At the same time, yields remain low, not provided the recommended structure of sown areas, stored grain production dependence on the prevailing weather conditions. Over the past years, the average yield of spring wheat in the zone and leached chernozem ordinary was 13.6-14.3 kg / ha, southern black soil - 11.4-13.0 kg / ha, dark brown soils - 10.2-10.7 kg / ha, chestnut soils - 7.0-8.4 kg / ha. However, the potential yield of crops, especially in the brown soil is high enough. Potential soil and climatic conditions of the country used to 65-75%. Best practices and research shows that productivity can be increased depending on the characteristics of soil zones by 20-35% due to the large-scale use of measures to protect plants from disease, weeds and pests, mineral fertilizer, application of modern agricultural machinery and improve the storage system. Due to the low technical equipment of farms are not met the recommended timing of agronomic work, which leads to the loss of crops. One of the main conditions for obtaining high yields, conservation and improvement of soil fertility in Kazakhstan is the observance of agricultural technologies, which, in turn, is impossible without the use of fertilizers. To ensure acreage republic needed annually about 1.5 million tons of fertilizers in bulk. Remoteness from world markets and the lack of direct access to seaports serve major barrier for promotion of Kazakh grain to markets. In this regard, the position of Kazakh grain exporters are unstable and subject to significant fluctuations depending on the price situation. The limiting factor is the lack of development of export infrastructure. It should be noted high railroad rates on the territory of Kazakhstan, as well as transit countries. International traders do not recognize passports (certificates) of quality issued by Kazakh independent accredited laboratories, and prefer to have certificates from international survey companies that perform analyzes on international standards in laboratories equipped with
modern facilities. For this reason, grain purchased in Kazakhstan with 23% gluten, traders sold to third countries by international certificates with gluten 26% or more. As a result, traders get additional profits from the sale of high-quality wheat, and Kazakh producers receive less share of their profits. According to available information, the park grain cars has 5.2 thousand units, of which only about 4 thousands have the opportunity (for technical reasons) to go beyond the Kazakh railways. If we consider that Kazakhstan’s export potential to reach 10 million tons, and monthly export more than 1 million tons of grain, while the existing wagons are unable to provide the volume of traffic. Currently, the Caspian Sea, part of shipping grain from the port of Aktau to Azerbaijan and Iran are used cargo ship belonging to these countries. Meanwhile, the vessel used has a high degree of physical wear to a grain transport used to transport goods and other metals, and is now unsafe from the standpoint of safety and radiation phytosanitary. In addition, grain transportation obsolete bulk carriers leads to higher costs for transportation security. Developing a network of grain terminals on the directions of Kazakhstan’s exports and their effective functioning should be linked to their own sea vessels as well as Kazakhstan loses on maritime transport. Offer grain supplies with delivery to ports buyer will be more attractive to importers of grain and will stimulate the export of grain. Therefore, time has come to purchase their own ships for the transportation of grain, which should be allocated from the state budget funds for the purchase of bulk carriers. Transportation costs are still major costs for goods exports, which hinders their growth. With the reduction in prices for grain growth occurs grain export infrastructure costs (rail fare increase from last year by 10-15%, increase in production costs, storage costs, handling). In this regard, in order to maintain prices in the domestic market, while ensuring competitive export prices, it is proposed to consider and develop a system of state subsidies for grain exports. This issue is important in terms of accession to the WTO. This applies to achieving the right to use Kazakhstan’s export subsidies in agriculture. The existence of such rights is an objective necessity due to the lack of direct access to the sea, which significantly increases the transport costs for exports of agricultural products.

**Direction and effectiveness of public support for crop**

State support covered almost the entire cycle of production and turnover of crop production. Under the current law, agricultural producers operate in preferential tax regime. In this case legal entities operating in the special tax regime, reduction by 70%, and individuals, ie peasant and individual farms, the single land tax, the size of which ranges from 0.1% to 0.5% of the appraised value of the land depending on the area of land. In addition, the state is completely determined by sowing qualities, carried the fight against dangerous pests, plant diseases and weeds. Up to 40% subsidized cost of purchased Elite agricultural commodity seed from 40% to 100% - of the original cost of producing seeds. In addition, subsidized agricultural costs per 1 ha of priority crops (for the purchase of fuel and lubricants and other inventory items). Starting this year, the rules of subsidies per hectare of cultivated area are differentiated according to the level of technology (for moisture conservative 2 times higher than for conventional technology). At the same time introduced subsidies of up to 50% of the cost of purchased fertilizer. According to the final report on the quantity and quality of seeds sown crop yield in 2010 the share of certified seeds sown increased from 53% in 2001 to 99.8% in 2009, while the share of seeds 1-2 classes rose to 78.2% and high reproduction - up to 92%. Ensuring agrotechnological production cycle allowed for competitiveness of agricultural products; increase in
production for the domestic market, the export potential of the country and food security of the country as a whole. Implementation of the budget program to reduce the cost of inventory on the field work, in order to stimulate the cultivation of priority crops, provided the positive trends in the development of the industry crop. So, in the republic in 2013, the sown area of grain crops compared with 2012 increased by 778.4 thousand hectares (5.1%), including wheat - by 603.4 thousand hectares (4.7%), barley - 251.5 ha (13.5%), grain maize - on 5.8 ha (6.3%), winter rye - by 4.0 hectares (7.6%).

According to the Statistics Agency gross grain harvest in 2013 in weight after completion of 22.5 million tonnes, with an average yield of 9.6 t / ha. On the whole, this volume allows domestic demand until the next harvest and export capacity to 6.5-7.0 million tons. Over the last number of years marked by growth in gross rice harvest in Kazakhstan. Increase in gross collection for the last 3 years was 34%, which is the result of increasing the rate of subsidy on 1 hectare in 7500 to 20,000 tenge tenge.

Analysis of indicators of production priority crops for 2010-2013 shows a positive trend. However, the analysis shows that the desired effect on government support through subsidies for the crop area in terms of increasing crop production has not been reached. Thus, in 2013 compared with 2012 gross yields of cereals (excluding maize grain and rice) decreased by 4.5 million tonnes (23.3%), rice - 39.7 thousand tons (14.5 %), while reducing their productivity (except rice), respectively by 3.2 p. Increased area of dead crops. Without removing the account the impact of adverse conditions in 2008 on growth and development of crops, it should be noted that the reason for this situation is the low level of interest in improving agricultural producers farming, respecting agrotechnologies crop to improve productivity and product quality. Consequently, subsidies depending on the crop area has stimulated the increase of the index only, but not in production volumes. In this regard, in order to ensure efficient use of budgetary funds allocated to subsidize the production of priority crops that need to be made to the Rules of subsidies to agricultural producers on the cheaper cost of fuel and lubricants and other inventory items needed for spring sowing and harvesting works approved annually by the Government of the Republic of Kazakhstan, the changes for the payment of subsidies to the resulting final product. In order to further enhance the effectiveness of state support of agro-industrial complex is planned to pay subsidies for certain types of cultures differentiated in two stages. Agricultural producers are able to access to cheaper credit resources dedicated to providing public grain purchase, holding spring sowing and harvesting, leasing of agricultural machinery. Availability of credit is also provided through the state-backed system of rural credit cooperatives. State also pays attention to information and providing farmers with marketing. Attracting investments in the grain sector in Kazakhstan promotes the successful functioning of a warehouse receipts system and their guarantee. For the period 2006-2013, second-tier banks issued 205 billion tenge loans secured by grain receipts. Kazakhstan model of grain receipts and guaranteeing twice in 2004 and 2005, recognized by international financial institutions the best in Eastern Europe and the CIS. Prerequisites for the successful functioning of the system of handling grain receipts are an appropriate legal environment, legally regulated complex of protective measures to ensure the safety and liquidity of the securities, banks and trust to the system, in particular, the licensing of grain enterprises, control and inspection of their activities. The global financial crisis has forced almost all countries in the world pay close attention to the agricultural sector. Today's reality is that the problem of food security of the economic category turns into political and agro-industrial complex has become an important strategic sector of the world economy.
At all times of the economic depression of the state went through the promotion of agriculture and its multiplier effect. All of this is an additional argument in favor of supporting the agricultural industry as a whole and the grain sector in particular. The Government of the Republic of Kazakhstan as the anti-crisis measures earmarked for agriculture from the National Fund assets of $ 120 billion, most of which seem agricultural products producers through the National Holding “KazAgro” in the form of soft loans for the preparation and holding of spring sowing and harvesting 2013.

**BASIC PROBLEMS OF GRAIN PRODUCTION**

Despite the relatively successful development of the grain industry in recent years, there are still many problems. As a result, privatization was the establishment of private structures, which can be divided into three groups: large grain holdings, which have, as a rule, integrated facilities for production, processing, storage and marketing of products; medium-sized farms in the form of small joint-stock companies that specialize in the production of grain, as well as peasants and farmers. Problems solved large farms more successful thanks to the availability of resources and greater profits from the sale of finished products at a higher price. Therefore, the problems are compounded by small farms due to lack of funds for the purchase of equipment, fuel and other necessary means of production. Farm sizes - this is one of the main conditions for the successful conduct of grain farming. In Canada and the U.S., for example, the size of farms in different regions are different, and the farmers through renting create the size of arable land, which corresponds to the power of existing equipment for planting crops. If this is not done, then the equipment will be used inefficiently. In our practice, this correspondence in most cases, no. As a rule, small farms cannot cope with their problems in the fastest time, which leads to untimely field work, and consequently yield loss. All operations on the design credits, grants are made to obtain bureaucratic delays. System of granting credits for field work is not fulfilled, and also leads to violation of the optimal timing of planting and other field work. The system of providing services to farmers also did not work. Companies or private owners who have a technique to provide its services to farmers at a bargain price and untimely, that leads to the fact that the field work is carried out with a large backlog, and in many cases it ends reduction in land sown crops. In developed countries have established cooperative enterprises that provide services to farmers who belong to farmers. This guarantees that the prices in the services. If we take the example of Canada, and there the first tranche of the future harvest for grain paid by the Canadian Wheat Board exactly at a certain period in advance announced to all farmers on the basis of planned land sown with wheat before sowing. It is the money used for the timely acquisition of necessary materials for planting and subsequent care of the plants. The insurance industry has not adjusted and often unfair, as there may be a lot of subjectivity. The farmer is obliged to insure, and get insurance in the event of natural disasters as drought away easy. From the above data it is clear that in the northern areas where grain production is the largest grain holdings, the area sown grain annually grow by involving remanufactured fallow lands. At the same time continue to decline in southern acreage. This process reflects well the obvious situation in the grain sector. Irrigated agriculture in the south is conducted at a very low level of farming, ie, water-saving irrigation technology not apply irrigation norms are not respected, and the fields are overgrown with weeds. Small farms also can not get good prices for grain sold as often forced to serve the grain at low prices during the harvest, as they have no good for long term storage.
silos. Again benefit only those who have elevators and facilities for long-term storage before the price increase. The provision of subsidies in 2009 is aimed at helping in the development of modern ART based on cheaper prices for herbicides, which are widely used by large holdings again. However, in 2009, for example, subsidized glyphosate herbicide only certain brands. Thus, the economy, apply one technology with one kind of herbicide, produced by different firms could receive or not receive a grant. Unjust policy makes important technological solutions source of controversy and discontent on the part of the grain producers.

FAVORABLE FACTORS OF INDUSTRIAL WHEAT SECTOR DEVELOPMENT

In order to support domestic grain producers state annually allocates preferential credit resources for spring sowing and harvesting campaigns, including for the purchase of fertilizers, Fuel, herbicides, elite seeds and farming on a leasing basis. Of course, this support system is a favorable factor for the development of the industry. But this is not enough, especially in the southern region. For further development of the industry must increase its support grain production at all stages of production, insurance, lending, and for the repair of equipment and conduct field work on the example of developed countries such as Canada. After all, our country is sufficiently large exporter of wheat and the need to put our grain producer in equal working conditions, otherwise, it will always affect our competitiveness. As our country is a net exporter of wheat and barley, improvement of tariff rates is of little relevance. As for the improvement of standards, there is a lot of work. The fact that our grain standards differ from the world, and we lose on this. Natural conditions our grain is not inferior to the quality of the grain (protein content and gluten) and exceeds the Canadian American. However, we do not get good prices corresponding to this quality. For asserting itself on the world markets requires a lot of effort. At this stage it is necessary to strengthen its position in the CIS market, where our grain and flour are known and appreciated. And direct efforts to conquer the other markets. First of all, the markets of Turkey, Iran, China and the Arab countries. The main positive factor for our grains are good soil conditions and aridity that with proper operation of grain production and processing it can guarantee the high quality of the grain. To implement these favorable factors should raise the culture of agriculture, in particular the fight against weeds, fertilization and plant protection from pests and diseases. Rearmament grain production for planting, spraying and harvesting crops must continue in all regions.

Conclusions:
1. We did not use natural opportunities for sustainable wheat yield of high quality.
2. In recent years, the culture of agriculture rose significantly only in the northern region of the country, which led to a significant increase in grain yield of spring wheat. This trend should develop and retain. In the rest of the country, particularly in the south, wheat productivity remains at a very low level.
3. Grains of wheat for export is sold at relatively low prices, which can be explained by the low culture of agriculture and low-level marketing.
4. Barley is cultivated in all regions of the country, but in most cases at a primitive level, and does not even give satisfactory yields.
5. Cultivation of crops in the south, as well as in many cases, in the west, center and
east can not be profitable, taking into account permanent increase in prices for equipment, fuel, fertilizers and herbicides. 6. Key issues include the size of farms and public support for re grain production at all stages. 40. Projections of production volumes, export-import and consumption According to the International Grains Council (IGC), world grain production in the next season will increase by 24.8 million tons to 1,784.8 million tons. Despite high prices for grain acreage of crops did not significantly increase due to competition from oilseeds and other crops. Weather conditions for the development of grain crops in the Northern Hemisphere remain normal. If the weather does not deteriorate, productivity in grain-producing countries will increase.

Overall, from 2013 to 2015 GG grain consumption will increase by 133 million tons The most dynamic sector of grain consumption - bioethanol market to grow to 2015 by 50 million tons will be the most dynamic growth in production of ethanol from corn. Because not generated demand for bioethanol, stocks of cereals in the world as a whole will grow. Reaching 2015 - 444.3 million tons.

Acreage of wheat grown in the world in the period from 2012 to 2013, in connection with the prospects of using wheat as raw materials for biofuels. By 2015, wheat has finally proved to be ineffective as a feedstock for bioethanol as sugar cane, sugar beet and maize in terms of hectares of crop, were many times more productive raw materials. A significant factor in the stagnation of the market was a sharp rise in the price of wheat on the world market are made of wheat is Wheat production in the world in a season in 2013 increased compared to the previous season by 73 million tons, reaching 680 million tonnes world production of wheat increased due to record wheat crop in the EU, CIS, USA and Australia. Demand for wheat in 2013 has increased significantly, but does not exceed the supply of - for a sharp rise in export prices. As a result, world carryover stocks rose to a record level of 190 million tons In many countries, there was no elevator capacity even for such storage volume of grain.

Foreign experience of development of grain production and deep processing products, global trends, the main factors determining the competitiveness of volumes of global grain production, the determination of leaders and competitors for their production. According to estimates USDA, in 2016/17 marketing season world wheat production will be 656.5 million tons, which is below the level of 2012/13 of 4% or 25.8 million tons.

In this case, as shown by a more detailed factor analysis using the method of chain substitutions, the gross yield of wheat will decrease by 25.6 million tons due to lower yields, or 99.2% decrease in production will occur as a result of declining yields. According to the forecast for 2015/16 wheat acreage increase compared with the previous period by 0.5 million hectares, or 0.2% and amount to 225.4 million ha, while the yield drops to 29.1 mt / ha 30.3 mt/ ha in 2014/15.

Expected yield reduction associated with unfavorable weather conditions in major wheat belt.

Changes in acreage, to a certain extent, the consequence of events in the last marketing season. According to the forecasts major increase acreage is expected in Russia, Kazakhstan and Pakistan. Considering the situation in the context of major producing countries can note the following: reduction of production largely expected in Ukraine, Canada, USA, EU and Russia. Change will significantly
influenced by lower yields, as well as due to the reduction of crops. In the U.S. and the EU with respect to projected significant reduction in acreage of 2.1 million hectares and 1.2, respectively. In addition, European and U.S. wheat area is expected to decrease in the yield of culture - in the EU is projected to decrease the yield by 3.9 kg / ha, the U.S. and Canada by 2.0 t / ha and 4.5 t / ha, respectively. Also, according to the USDA, in Ukraine would be a reduction yield of 9.0 t / ha and in Russia by 2.9 t / ha. However, the projected harvest volumes in Russia and Ukraine are still significantly higher than the average of previous periods. Reduction in wheat production in India to 77.6 million tonnes does not threaten the emergence of imbalances in the domestic market, since the capacity of the consumer market is much smaller - about 72-73 million tons. Growth in wheat production is expected in Argentina, Australia, Turkey, Iran, Pakistan, Kazakhstan and Morocco, however, this situation on a global scale as a whole will not change. In Argentina, although it is expected growth in gross harvest to 9.5 million tonnes against 8.4 million tonnes in 2008/09 mg, but it was the second year in a row can not recover their traditional capacity. Previously, the average annual output of wheat ranged 16-17 million tons. Forecasts the size of crops in Argentina for the current marketing season is optimistic - is expected to decrease by 200 thousand hectares or 45% less than last season, as many manufacturers have shifted to the cultivation of more profitable crops, especially soybeans, and is largely due to dry weather in the current season. However, supporting factor is the expected improvement on crop yields. Analytical data of the Agency of Argentina; Information Company "PROAGRO"; German analytical agency Oil Wbrd. In Australia, due to favorable weather conditions in the grain belt of the country can be obtained by a good harvest, but will largely depend on weather conditions during the period from September to November of this year. Morocco for growing wheat in excess of 6.5 million tonnes (2008/09 mg, 3.7 million tons) is not a new limit before the country reached such production volumes. In recent years, the Moroccan consumer market wheat was highly dependent on external inputs, in particular from suppliers with the Black Sea region. This season is expected to reduce the presence of Morocco as part of wheat importers. Forecast to 2009/10 mg will be a record in terms of carryover stocks at the end of the period. Carryover volumes next year are estimated at 181.3 million tons, more than in 2015/16 mg of 8.4%, or 14 million tons. If we compare the ratio of stocks to consumption data, the situation is as follows: the figure was in 2013/14 mg - 19.8%, in 2015/16 mg - 26.4%, in 2012/13 mg - 28.4 %. As can be seen, there is growth stocks to consumption ratio, which generally indicates a stable price situation. Significant growth stocks observed mainly in China, India, Iran, Russia, to a minor extent in Australia and the USA. Reduced wheat stocks are expected in the EU by 23% or 4.4 million tonnes, similar in Canada by 22% or 1.5 million tons. According to the Department of Agriculture of the United States in recent years, the world has recorded an increase in gross yield of barley. This is due to an increase in acreage planted with barley and increase its productivity. The largest volumes of production and consumption of barley traditionally occur at the EU countries, Russia, Ukraine and Canada. A significant share of world rice production accounts for EU27 65.6 million tons (42.6%), Russia 23.1 million tons (15%), Ukraine and Canada, 12.6 million tons (8.2%) and 11.8 million tons (7.7%), respectively. Determination of the main trends in the development of production in the import and consumption of grain in the lead. In the world's largest producers and
exporters of traditional wheat are the U.S., Canada and Australia. In recent years, the top five broke Russia and Ukraine. There are Argentina, but this country is in the tropics, and its experience will be difficult to interpret for our country. Two CIS countries have always been among the largest producers of wheat in the world, but in Soviet times they even imported grain. This is due to occurred in recent years, a fundamental restructuring of the agriculture. In the CIS countries, including Kazakhstan, essentially ceased to exist highly costly and inefficient farming. The Soviet Union is mainly bought a huge amount of feed grain corn and soybeans from the United States, as well as wheat from Canada. Now, instead of grain feed and fodder crops in Russia, Ukraine, as well as in Kazakhstan, only sow wheat, which is enough for bread and in good years are opportunities to export large quantities of grain. In the U.S. livestock is fully guaranteed grain corn and soybeans in the most appropriate standards. A grain of wheat is produced in rainfed agriculture in fairly dry conditions. Wheat yield in such conditions is quite high for rain-fed agriculture, about 30 t / ha. Thanks to the constant competition in the long process of development in all farms established high farming. It is also supported by providing each household optimal set of modern technology, well-organized work of extension services, farm service, credit and insurance. Important role played by the institution of private ownership of land, and each owner is obliged to use it rationally, otherwise the ownership of land is not justified. Production is maintained at 60 million tonnes, half of which is exported. U.S. will not seek to increase wheat yields at any cost, and they do not change significantly crop area of this culture. Cost of production of wheat high because of high prices for machinery, fertilizers and energy. And market prices is not enough for economic production of grain. Therefore, U.S. policy is aimed at maintaining a profitable reference grain production using all sorts of programs to support the production and export. These programs vary, but the essence remains: to provide cost-effective production and preserve the environment. Since the U.S. has always been an overproduction of grain, the policy in the field of wheat rather aimed at curbing production. In this regard, the United States continuing program output of marginal land in the reserve, encouraged the sowing of perennial grasses on arable land decommissioned. In the last years before the U.S. scientists set a goal of long-term breeding varieties of wheat. In the Soviet Union for many years conducted a program of creating wheat-couch grass hybrids, but it came to nothing. In the U.S., the task is set differently: to bring long-term wheat in order to cultivate the soil less. Even if it is less fertile, she decides to environmental problems. In Canada, the system of production and marketing of wheat is very different from the American one. The main feature of the Canadian system is a state monopoly on trade in wheat grain in the face of Canadian Wheat Board (Canadian Wheat Board). CPS collects almost all wheat grain produced in western prairie provinces through the pools (cooperative elevators) and sells it to ensure getting the maximum price for the high quality grain. CPS is not a commercial organization and guarantees payment to all farmers an average price less the cost of transportation and marketing. CPS has a network of offices around the world to ensure high prices for Canadian grain. The main principle of the CPS - high quality grain. CPS pays all farmers earned three times the price: advance introductory price of grain at the time and after the final implementation. Major new trends in grain production in
Canada lies in the fact that since the late 1990s in this country has become difficult to maintain that type of production of wheat, which was formed during the previous hundred years, that is sowing wheat on clean fallow. KPS to some extent supported this system, but was forced to abandon it due to the difficulty of fighting in world wheat markets with the EU and the U.S., which, as you know, subsidized export their grain. In this situation, in 1987, Canada refused to support further production of wheat for a couple, and this led to a radical change in the structure of the use of arable land. Instead of monoculture wheat were seeded pair came oilseed - rape, and then legumes - peas, chickpeas, and lentils. Unlike wheat on international markets canola and legumes Canada has no such cut-throat competition. Now in Canada, only about half the wheat crop area, and the second is removed under oilseeds and legumes. In arid prairies of Canada main lever increase wheat yields, despite a significant reduction in the area of vapor is high farming comprising crop on minimum and zero technology, effective protection from weeds, pests and diseases, fertilizer according doges close to optimal, and crop rotation crop rotations. Basis of Canadian agriculture is the family farm. They are large, large, medium and small. However, this group depends on the soil and climatic conditions. In the desert a large farm has more than one thousand acres, and the black earth of a large area of arable land is considered a farm of more than 500 hectares. Large-scale farmers usually updated more frequently and buy modern equipment; there is a constant consolidation of farms as on large farms can use wide-art techniques. In cases where a farmer has enough land for the effective use of wide-technology, he adds land by renting. In the period 1991-1996, reducing the number of farms was negligible, which was followed by rapid declines in 1996-2001 to 11 per cent (Statistics Canada, 2001). Analysts believe that the action of the natural process of consolidation, as large farms technique is used more productively, as well as factors of horizontal and vertical integration (Biggs et al., 2004). In Australia, grain cultivated in fairly dry conditions. There are no long vapors for which we still cling to. Earlier, before the end of the nineties of the last century has been widely used integrated grain and pastoralism. In alternating rotations sown crops and pasture culture through the use of fenced fields. Thus, the problem was solved by the alternation of grain crops and leguminous pastures. Currently, this system is forced alternation in wheat, canola and legumes peas, lupine and chickpea. In arid areas of Western Australia wheat yield increase of 70% achieved by agronomic factors. This seeding for minimum and zero technology, application of optimum doses of fertilizers, plant protection and alternation in the rotation of cereals, legumes and oilseeds. Recently, a new trend in Australia is conducting all fieldwork permanent ruts. In all three countries is the development of resource-saving technologies, but seeding is not as widely used as in Latin America, in Australia by 50% in the U.S. and Canada - 30% of arable land. Thus, the main trend in grain production in three developed countries exporting wheat, which is grown in the arid conditions in the last 10-15 years has been the withdrawal of support by a couple of wheat sowing. It led to the diversification and expansion of oilseed crops and leguminous plants on a background of wide application saving technologies in field. All this is happening against the backdrop of high farming.
DETERMINING FACTORS FOR THE COMPETITIVENESS OF GRAIN PRODUCTION

The main factors of competitiveness of production of grain is its cost and quality. Competitiveness of our grain production is provided at a relatively low cost today, which develops due to low wages and relatively low costs. The quality of the grain is low and it is sold at relatively low prices.

In the context of Canada, where grain production is conducted in similar soil and climatic conditions, the competitiveness of grain production is ensured over the years spent mechanism comprising interconnected tools provide highly qualified personnel farmers, political and financial support from the government, high technology production, grain processing and coordinated work marketing grain quality. In this circuit, the main thing is a farmer who all public and private services help.

One of the main mechanisms that we have not yet completely developed, it is the land market. Because land resources Kazakh farmers got free and currently has low prices, farmers are doing business on a primitive level, and do not hesitate to throw the arable land in fallow. In a market economy it is impossible: there is no profit - sell it or give it to rent another person who will be able to handle it properly and ensure competitive production.

POTENTIAL GRAIN MARKETS AND MARKET NICHES

Countries - the main producers and exporters of grain (exports), the main countries - importers of grain (volume of imports). According to the latest forecasts, in 2015/16 mg compared with the previous period expected to increase slightly world wheat consumption to 637.4 million tons, in absolute terms the growth will be 4.1 million tons, or 0.6%. It should be noted, world cereal yields its production, ie, the market is balanced. Growth in world wheat consumption will mainly due to increased use for food at 7.8 million tons, which is associated not only with the population growth, but also with the changing preferences of the economic crisis, the focus has shifted toward greater consumption of cereal products. Wheat consumption growth globally happen mainly due to increased consumption in India, Russia, Australia, Pakistan and Argentina. The above production and consumption of wheat plays a big role in shaping the situation in world trade of these products. In the 2015/16 marketing period is expected to decline in world trade volumes to 119.1 million tons to 135.5 million tons in the previous marketing year. At the same time, Iran expects to reduce the supply of wheat from outside by 2.5 million tons due to the expected good harvest. A similar situation is expected in Pakistan and Turkey, predicting growth of its own wheat production to 24.0 and 17.8 million tons, up 2.5 and 1 million tons more than in 2014/15, respectively. Consumer market in North Africa will be represented mainly by Egypt, as in Morocco are forecast to decrease the volume of wheat imports by 2.2 times in the use of their productive capacity (growth of gross yield of 75%), as well as in connection with the introduction of the country in the amount of import duty 135%. In addition, Algeria and Tunisia are expected to decline from outside supplies about 4 and 17%, respectively. According to the USDA, is also expected to reduce wheat imports in Afghanistan by 2.9 million tons, which is a potential buyer of traditional Kazakh wheat. Analyzing reduced forecast can be noted that in the current marketing year export market Kazakh wheat to some extent, will be subjected to the restriction: it is primarily the situation in the Iranian and Afghan market. In addition, the North
African countries reduce imports of wheat, and, despite the fact that the Egyptian imports slightly below last year's level in this area to compete with Russian and Ukrainian suppliers is still difficult - cost of not allowing a low price and high quality Kazakh wheat requires decent prices. Then there are all factors point to the fact that Kazakhstan, as in 2008/09 mg, with wheat exports will focus on the countries of the Caucasus and Central Asia (Uzbekistan, Kyrgyzstan, Tajikistan, Turkmenistan) and Afghanistan. Expected total volume of wheat consumption these countries is estimated at 15.5 million tonnes (including Afghanistan, 20 million tons), total imports of 4.5 million tonnes (including 5.6 million tons of Afghanistan). In addition, it is necessary to increase the volume of exports of flour. In the current year is forecast to USDA, Kazakhstan will be on the 6th place among the world's wheat exporters. It is two places higher than in 2014/15. Despite a significant decrease in the gross collection in 2015/16 United States and the EU are among the traditional leaders exporters. It is expected that Russia will retain its position and will be in third place ahead of Canada at 1 million tons. Australia after two unsuccessful seasons comes to their traditional volumes of external supplies. As shown by a number of recent years, Ukrainian export market is characterized by its abrupt changes. According to forecasts, 205/2016 can become a Ukrainian grain producers are not particularly successful, is expected to reduce exports. Argentina after a barren 2012/13 yet will focus on domestic consumption, which has a negative impact on its place in the composition of world exporters, exports amounted to 2.5 million tons, which is 70% lower than last year.

Per capita consumption is calculated by the formula: market size / population. It is necessary to take into account when calculating capacity does not include stocks, as the figure for each country separately list is not installed. Carryover stocks may be the end of the year, more than 50% of all goods in the market. Also do not take into account the share of foodstuffs. For example, the grain may be directed to animal feed, for the production of bioethanol, or a crop. Consumption is calculated on all products, excluding destination.

An important limitation is that the index is calculated only on the official population. In countries such as Egypt, Turkey, UAE, the number of temporary residents may be comparable to the number of citizens. The official World stats taken to calculate the per capita specification is of the population, without distortion.

ANALYSIS OF THE CURRENT EXPORT PRICES FOR GRAIN

Considering the development of the price situation on foreign markets, it should be noted that the current year began with the fall in wheat prices on the spot markets the world's leading stock exchanges, with the exception of Argentine wheat. In the future, depending on technical factors, the trade activity, various market assessments by international experts and other arguments in the situation occurred versatile trends and price dynamics, respectively, in graphic terms, has an undulating trend. In addition, the promotion of harvesting in several countries, along with weather conditions and updated estimates of production played a decisive role in the formation of price conjuncture of the market. The price situation on the market of U.S. grain hardness red winter (HRW) and red winter wheat mild grain, as well as in the market of French wheat (on the terms CPT-Rouen) and wheat from the EU (on conditions EXW) developed almost identically. Earlier this year, remained on an upward trend last year inertia situations. Later, after the assessments of international experts (USDA) forecasts with encouraging production and resource indicators for
2008/09 mg, there was a significant weakening prices. Next sharper price spikes were observed only at the beginning of the third decade of March and in early April and the end of June beginning of July, which was due to the weather conditions and the situation in the segment of other products (soybean) oil, as well as increased demand for U.S. wheat. Following the Chicago quotations and raise prices in the European market. During September, the main trend of the world market of cereals remained lower prices in the cash as well as on the stock markets. Overall drop-down trend determined the following reasons for the current season - good harvest of grain, as in the exporting countries, and the largest import-oriented countries. At the same time, low grain prices led to increased frustration exchanges and farmers. First reduced the volume of trade in key sectors of the grain market. Whereas farmers in the Northern Hemisphere, in preparation for the sowing of winter wheat are increasingly announced its intention to significantly reduce the acreage under wheat in favor of more profitable crops. However, over the past week the world wheat market was characterized mainly rising prices. Consolidation of market position strengthened through a series of major international tenders, but the results, which were often a surprise to the market participants, both in terms of prices (they often were below the expectations of most traders) and the victorious powers (the long-awaited rematch Russian market of Egypt). Despite the presence of the dominant factors downward quotes Chicago Mercantile Exchange rose steadily. Significant strengthening of the position of oil at NYMEX and freezing in the northern regions of the United States have supported the market. Furthermore, the announcement by Saudi Arabia tender for the purchase of 550 tonnes of wheat and a large volume of Iran buying U.S. corn also made adjustments in pricing. As a result, on October 9, December futures on the CBOT rose to 172 dollars per ton. Projected Grain Exchange in Buenos Aires, Argentina's wheat production will be 7.1 million tons, which is 40% lower than last year. The export is expected to reach 0.6 million tons. According to the Australian Bureau of Statistics, in August wheat exports totaled 1.2 million tons, which is 18% more than was exported in July. Thus from the beginning of the season Australia exported 13.6 million tonnes against 6.5 million tonnes a year earlier. According to Canadian experts, dry weather, which has been observed in the country in the late summer, reduced wheat production, but to improve its quality. Thus, about 80% of the harvested grain is expected 1-2 class. Despite a number of factors that negatively affect the state of the European market, the main trends of trading on the Paris stock exchange in early October has been the growth of quotations of milling wheat. Increasing the Chicago futures and low wheat yields in some regions of France had the main pressure on prices. As well as the announcement by Algeria tender for 50 tons of wheat has made adjustments to the situation, with delivery scheduled for the month of November. Price trend in the Kazakh, Russian and Ukrainian wheat export market developed almost the same, the differences were only in the rate of change of the quantities prices. A distinctive feature of the Ukrainian market was the lack of jump of price changes, the whole situation in the Ukrainian segment of wheat can be considered stable. So, today's prices slightly below the level of performance at the beginning of the year - $161-162 per ton. Since the beginning of the year to mid-February was established upward trend. Beginning in the second decade of February until May almost preserved downward price trend, which is quite logical on the background of abundant offerings at low trade activity and sluggish pace of exports. The Russian market is to some extent supported by the state purchasing intervention undertaken. First for a relatively long time in the second decade of May until the end of June there was a sharp rise in prices for Russian wheat that occurred in connection with a reduction proposals and gain wheat producers declared price points. Enhanced action in all of the 3 countries is mainly in the commercial segment of the procurement export-oriented companies. However, since the beginning of July in the export market
remained low trading activity and a downward trend in prices, including in Kazakhstan. The minimum prices at which to buy wheat class 3 were within 100-115 USD / ton EXW (Northern Kazakhstan). According to the press service of the Commodity Exchange "Eurasian Trading System" on October 14 of this year concluded 20 Deliverable futures contracts with performance in November and December 2014 and January 2017. The minimum and maximum prices November futures fell to 15,500 tenge per ton, and that was the closing price. December futures on the minimum and maximum as agreed on one level, and were fixed at 15,000 tenge per ton at the close. Futures for January maximum price reached 16,550 tenge per ton, minimum was 14,940 tenge per ton, and the closing price remained at the minimum price level. Turnover day session Exchange amounted to more than 19 million tenge. According to analysts of the ETS, the increased number of transactions on the stock exchange due to the market correction to the downside in wheat prices. Concluding the review, we can conclude that in general, the current and expected situation on the world wheat market can be characterized as balanced. Reduced production should not cause tension in the price range as other market developing factors remain positive. The price situation on the world wheat market has diversified trend changes. The situation on foreign consumer markets causes continuation of Kazakhstan’s exports to the Caucasus, Central Asia (Uzbekistan, Kyrgyzstan, Tajikistan, Turkmenistan) and Afghanistan, moreover, it is advisable to increase the volume of exports of flour. Kazakhstan produce enough wheat for its population and exports about 5 - 6 million tons. Therefore, the growth of the population will not change the demand. Another question is whether we need to continue to increase wheat production due to continued expansion of land sown? According to expert opinion, Academician of NAS RK MK Suleimenova correctly will diversify culture with increased production of oilseeds and legumes. It would be wise to stay with the growth areas of wheat and focus their efforts on the rise yield of this crop. For this we need to learn energy saving technologies in the entire area of the republic and add questions of development of crop rotation type, that is not to continue alternating wheat with steam, and enter the alternation of wheat with legumes and oilseeds. To this we must add fertilizer. Increase the dose of fertilizer at low culture farming does not make sense, since they do not pay off. In addition, the actual question is the development of animal husbandry. To meet the needs of the population in livestock products at their own expense and the reduction of import limits to food security need to double the number of livestock. It needs food, which should be also at the plow. Necessary production of barley and oats bring to need parameters. Other factors in recent years in developed countries say about climate change. What can you expect on this factor? The processes that go into the last ten or fifteen years, indicate that there is a clear Kazakhstan warming in winter. Perceptible increase in aridity is not happened. Sharp deviations weather in the summer is not yet observed. Therefore, the processes of climate change have not yet threatened Kazakhstan in terms of grain production. Determination of the main trends in the industry - changing forms of business, the implementation of standards, the impact of environmental factors, etc. In the grain industry of the country is evident tendency of enlarging the size of grain companies, especially in the north. These trends have yielded positive results in terms of yield of spring wheat. In the north every year reduces the number of farms, can not cope with the volume taken fieldwork. This trend is likely to continue. In the south, this process is difficult and does not give much hope for rapid improvement. There is no doubt that the rate of production on small farms and households completely hopeless. The main challenge for grain production will further increase farming, which will lead to increase grain yield and quality. Question improve grain quality paramount. It is necessary to bring all the standards in line with those adopted in the world grain trade and work on these standards. Nature
allows us to produce the best quality of wheat grain on the best world standards. Environmental factors must be kept in the first place along with the production of grain. Importantly, must not fall soil fertility, which is due to soil erosion. In this regard, the introduction of resource-saving technology helps to stop this negative process. In addition, the processes of soil erosion are roughly in the fallow field. Unfortunately, in practice, there are many farms that not only hold for the preservation of vapor, but also increasing their share to 33% of the arable land. Fortunately, there are those who have abandoned the black earth of vapor or reduced them to a minimum. Problem agrarian policy to encourage the practice of expanding the area vapors in order to protect the ecology and soil conservation for posterity.

Determining factors of competitiveness - the analysis of the cost structure and quality of the product characteristics. To analyze the structure of grain yield of spring wheat used data from analysis of two growing technologies, the International Center CIMMYT, a project in collaboration with FAO in northern Kazakhstan. Under the conditions of production in four farms compared the two technologies. Traditional technology consisted of flat curtting tillage and zero based on the replacement of tillage spraying herbicides. Thus for zero technology used the same technique, but with a refitted working bodies. Results showed that in this embodiment, the cost of 1 ha close. In the embodiment of zero tillage reduced costs for fuel tripled, depreciation and repair technicians doubled labor almost doubled. At the same time increased the cost of herbicides almost doubled. In general, the production costs close yield was 7% higher than at zero technology. However, this comparison, although it was carried out in terms of production, the production does not fully reflect reality. In practice a number of new tractors, seeders, sprayers and combines modern. This dramatically changes the amount and cost structure. Immediately evident that, although modern resource conservation technology, it is more costly. Primarily due to the acquisition of expensive equipment and herbicides. When PCT saved up fuel and labor costs, repair costs. However, sharply increased cash costs for depreciation of equipment, although the number of vehicles is reduced. The difference in cost for 1 ha is about 40 dollars. In order to compensate for this difference is required to obtain an increase in grain yield of wheat at 2 kg / ha. Practice shows that in terms of production yield increase of 3-4 t / ha guaranteed. It turns out not at the expense of less tillage, and by improving the quality and reducing the time of fieldwork. If we compare our observations with the Canadian data (Zentner et al., 2002), we can note the following differences. Canadian data on the cost of traditional, minimum and zero tillage are small (in the range of 20-30 dollars per 1 ha). This is explained by the fact that in Canada and the PCT differs only in that the only change working bodies that does not affect the price of the art. That is, as in the experiments CIMMYT in northern Kazakhstan on when you replace only the working bodies. In our reality, there was a replacement of the entire Soviet technology on modern luxury cars. If the PCT will apply technology for a long time, their advantage in productivity will increase due to increase of farming. Experiments in the A. NIIZH Baraev strongly suggest that long-term maintenance of high farming leads to a reduction in the cost of weed control and increase grain yield of field crops. If you look at production costs per 1 ha, in Canada they are very high, about 300-350 dollars. It was back in 2002, they are now, of course, came to $ 400. Of course, the yield of wheat in Canada, on average, about 20-25 kg / ha. The cost of wheat is about 180-200 dollars. In the structure of costs in Canada and the United States occupy a larger share of items such as amortization of equipment, land tax, rent, property taxes and technique. To compete in world markets wheat embarked on re-production of our
new equipment is justified. In the future, it is necessary to assist in reducing the costs of production equipment, herbicides, fertilizers and plant protection products. It is necessary to improve infrastructure: roads, grain cleaning equipment, grain transportation by rail. That is, we need to increase grain yield and quality, reduce its losses at all stages. For the production is vital to the credit system for field work in the optimum time. The most important condition is the policy of the state of competitiveness. The manufacturers must be sure that the state is on their side and help solve their problems.

DETERMINING APPROPRIATE TECHNOLOGY (BY REGIONS).

According, expertise Academician of the National Academy of Sciences of the Republic of Kazakhstan Suleimenova MK optimum grain production technology across regions and for different soil conditions, and even in the fields may vary. But it is possible to determine the fundamental provisions. The general principle is the minimum amount of tillage, spreading evenly across the straw in the fields during harvest, crop seeder cultivator with or without legs. In the northern region, which includes land ~ Kostanai and North Kazakhstan regions on ordinary black soil tend to cultivate the soil in the fall with plane is not necessary. At the same time, the rejection of tillage for several years the soil can condense and difficult absorption of meltwater, which requires loosening the soil in the form of slotting. In the case of active growth or weed forming rhizomatous weeds in some years, with a warm autumn may need spraying glyphosate at a dose of 3 liters per 1 ha to harvest or immediately after harvesting wheat. Cleaning should be conducted at a high shear to provide snow accumulation without special snow retention. Autumn in the case of uneven spreading straw on the field, it is necessary to apply a harrowing spring harrows. Spring after the active growth of weeds, they are sprayed with glyphosate at a dose of 3 l / ha and a week later sow seeder without special cultivation. If weeds before planting a bit, you can sow complex with cultivator legs without using glyphosate. In the phase of tillering wheat or barley used herbicides for weed control, depending on the weed species. Zero technology, i.e. with complete exclusion of mechanical soil treatments may be applied for about 30% of the crop. In the southern part of the northern region, as well as in central and eastern region, where the soil is denser standard technology is minimal, ie, technology may allow one mechanical tillage during the relatively wet autumn. Zero technology can be applied at the level of 10-15% of the area sown. Autumn loosening the soil can be carried out to prevent the spring melt water runoff. In the western region, where soils are compacted, are also preferred minimum tillage. Deep autumn cultivations should be avoided so as not to create a blocky farmland. Sowing spring wheat there earlier, when there is no active growth of weeds. Therefore, seeding can lead complexes with cultivator legs. In the southern region irrigated crop on ridge preferred technology, but these types of equipment while there are only experienced institutions. The time has come to organize the production of these drills, as their advantage is proven both abroad and in the experiments of the Institute of Water Resources and Taraz NIIZR in Almaty region. After creating ridges on this technology, these ridges can be used for several years. This technology also conserves resources in the form of water saving and seeds. Irrigated and rainfed crop is promising winter wheat at zero technology. This technology using Brazilian technology was successfully tested in the Almaty region and has shown excellent results even when plated on untilled field without tillage and without herbicides. If you organize production drills for bed planting technology Institute of Water Management in Taraz, you can count on winter wheat yield about 35-40 kg / ha, ie double it. Seeder for sowing by zero
technology, proven in the Almaty region, produced in Brazil. With sufficient demand, they could be in our market as well as the machine of American, Canadian and German companies. According to NPC them. Baraev durum wheat makes greater demands on soil fertility, so the best it will be a precursor for couples. However, in the first place, it is necessary to consider the purpose of sowing - propagation of seeds or commodity grain. When choosing nonfallow predecessor should prefer millet, legumes. Sowing solid on solid (grade by grade) is acceptable when using chemical means of protection due to the accumulation of the pest - floral tick. Also, special attention should be paid to the choice of varieties, for it is on this factor will depend on the success. For example, middle-grade Damsinskaya 90 - one of the most plastic, adaptive spring durum wheat variety trials during the State stood out as by steam, and on nonfallow predecessor, exceeding the yield not only spring durum wheat, but also soft. On soils with high levels of effective fertility, at a sufficiently high moisture it manifests itself as a Middle-Class. One of the few varieties Kazakhstan selection is listed in the State Register of Russia and the best of modern varieties of Kazakhstan and Russia in the environmental strain testing in Europe. Elite seed engaged PC "Motherland", LLP "Belagash" Akmola region. Maximum yields are obtained when sown in May 15-30, grade less sharply reacts to changes in sowing period. Seeding rate of 2.5-3.7 million germinating grains per 1 ha. When sown on a couple of the best effect is achieved by sowing SZP-3, 6 disc or hoe. Durum wheat, less than soft, susceptible to diseases, however, the use of disinfectants (Premis, Rax, etc.) gives a good effect. In a set of spring durum wheat - LED-88 Altayka, Kustanais'ka 52 Bezenchukskaya 139. Hard spring wheat has high requirements to the food regime of soil on which it is grown, to the debris field and supply moisture during the growing season. For durum wheat is the best predecessors fertilized rocker pairs. Gives satisfactory yields of durum wheat stubble on the background, treated with autumn with plane after sowing millet, oats, peas ¬ oats mixture for hay or green forage, with good soil moisture at the time of sowing. Best durum wheat seeding rate of 2.5 to 3.2 mln.vskhozhih grains per 1 ha, planting depth - 6-8 cm, but not necessarily in the wet soil. If necessary, deeper seeding or later planting dates should be increased seeding rate of 5-10%, compared with the recommended. Do not allow re-seeding of durum wheat by durum wheat. Such crops severely affected by root rot and flower mite and dramatically reduce yield.

IMPROVING THE REGULATORY FRAMEWORK

Improving measures of tariff policies and national standards for grain

Resolution of the Government of the Republic of Kazakhstan "On Customs Tariff of the Republic of Kazakhstan" dated August 14, 2006 at number 765 approved and systematized tariffs based on principles and rules of the World Trade Organization. Classical instrument to regulate foreign trade are tariffs that the nature of their actions relate to economic regulators. Customs tariff - a systematic list of customs duties levied on goods when imported, and in some cases, when exported from the country. Tariffs remain one of the most important instruments of state regulation of foreign trade, which allows you to use it to protect the national interests of producers from foreign competition. Because of this, tariffs remain one of the most important instruments of state regulation of foreign trade, which allows you to use it to protect domestic producers from foreign competition. Kazakhstan rate needs to improve so as to best suit the task to protect the economic interests of the country. In recent decades, the importance of tariffs reduced to the extent that, as a growing variety of indirect regulation of foreign trade barriers - such as a variety of technical
standards or voluntary export restraints on the basis of an informal agreement. Resolute action to eliminate such restrictions conducts WTO. Recommendations of the organization aimed at significantly increasing the role of tariffs in foreign trade regulation.

Average tariff rates of developed countries in modern conditions are low, but their influence on foreign trade is very significant. After all, using a relatively small fee, you can do the import of certain goods unprofitable and stimulate their domestic production by imposing their higher tariffs compared with the raw materials for their production. Besides the high degree of differentiation of tariffs allows maintaining a relatively small overall level of taxation, to provide protection against imports of certain types of goods. At the present level of scientific and technical development extremely high degree of specialization, such protection is very effective.

At the same time, the experience of industrialization in several countries suggests that tariff can be an effective tool to stimulate targeted import goods required for certain industries. In order to apply these tools, such as the use of targeted customs privileges under customs regimes of processing and simply establish different tariff rates depending on whether imports of the product fits in the strategy adopted economic development.

Tariff policy of Kazakhstan aimed at: protecting the interests of consumers; diversification of the national economy; ensuring the development of technological production and production of goods with high added value; favorable investment climate; and revenues to the state budget.

On the national tariff policy also affect international obligations and Kazakhstan's participation in integration processes, including free trade zone within the CIS and the formation of the Customs Union of the EurAsEC member states.

Since January 1, 2004 in Kazakhstan navigated with 9-valued at 10 digit commodity nomenclature based on the Harmonized Commodity Description and Coding 2002. The transition was done in accordance with the Agreement "On the general nomenclature of foreign economic activity of the Eurasian Economic Community", approved June 11, 2003. Import tariff includes 11082 Commodity subheading.

Goods imported into the customs territory of the Republic of Kazakhstan and originating from developing countries, using national system of preferences of the Republic of Kazakhstan, subject to customs duties of 75% of the customs duties, provided the principle of MFN. Goods originating in the least developed countries, imported duty free. Preferential treatment extends to over 1500 products, including products that are not produced in the country, as well as items crafts, arts and antiques. The list of countries covered by the national system of tariff preferences the Republic of Kazakhstan, approved by the Government of the Republic of Kazakhstan. In addition, the laws of the Republic of Kazakhstan in order to promote the import of equipment and machinery required for the operation and development of domestic enterprises, the production of which is absent in Kazakhstan or insufficient to meet the needs of domestic manufacturers, provided preferential taxation norms import customs duties. Law of the Republic of Kazakhstan dated January 8, 2003 "On Investments" determined that the exemption from customs duties may be granted for import of equipment and components, imported for investment projects in cases of absence or insufficient production or inconsistencies produced on the territory of the Republic of Kazakhstan similar equipment and component parts required in the investment project. Tariff concessions are regulated by the Customs Code, the governmental number 668 "On Approval of the List of goods temporarily imported with full exemption from customs duties and taxes and temporarily exported with full exemption from customs duties" of 8 July 2003 and number 1092 "On approval of the list leased assets to which the customs regime of temporary importation of goods and vehicles "from August 21, 2001. In accordance with the bilateral free trade agreements concluded between Kazakhstan
and CIS countries (except Turkmenistan), goods originating from these countries imported from their territories to the territory of Kazakhstan, customs duties are not exempt. Currently, the Ministry of Industry and Trade of the Republic of Kazakhstan for the implementation of protective and promotional functions customs tariff policy, conducted a comprehensive review of the existing rates of import customs duties within the formation of the new import tariffs of the Republic of Kazakhstan. This measure is aimed at bringing into line the level of rates of import customs duties with the priorities of economic development. This takes into account the obligations of Kazakhstan within the framework of regional associations (the formation of the Common Customs Tariff EAEC), as well as negotiating position of the Republic of Kazakhstan on market access for goods from WTO accession. Resizing the rates of import customs duties shall be subject to mandatory review at the meetings of the Interdepartmental Commission on customs and tariff policy which consists of representatives of government agencies, as well as members of the Parliament of the Republic of Kazakhstan, for an agreed decision. According to the minutes of the meeting of the Interagency Committee on customs and tariff policy for participation in international economic organizations on October 22, 2003 № 22-15/7445 all agricultural products are divided into four groups:

- Group I includes sensitive products requiring in accordance with the state agrarian policy high degree of protection to date. In this connection, the duties for this commodity group and the highest is 20-30 to 35% and protectionist performs the function associated with the protection of domestic producers. Group II. Sensitive products, the production of which is provided in the long run according to the state sector programs and for which it is advisable to increase the level of tariff protection. In this case, the list used in the formation of the Eurasian Economic Community OTT.
- Group III. Goods that are export specialization of the Republic: a) to date; b) in the long term. Customs duties on goods of this group is in the range 5-20 %.
- Group IV. All other products. The first and second group of goods are sensitive to group products, the production of which creates a larger volume of gross value added, ie Products with a higher degree of processing. Therefore, taking into account the policy of increasing the competitiveness of domestic agricultural products are highly processed, goods to these groups in the formation of tariff policy should pay special attention. While the share of similar imported products in the domestic market for the majority of goods takes more than 50%. Group III represents the export specialization of agricultural products, which mainly consists of commodities. Customs duties (Article 292 CC). Customs duty - kind of customs duties levied by the customs authorities of the Republic of Kazakhstan to the importation of goods into the customs territory of the Republic of Kazakhstan or exportation of goods from the said territory and indispensable condition for such importation or exportation. Customs duties are paid by the declaration of goods under customs regimes room conditions under which establish payment of customs duties in accordance with the Customs Tariff of the Republic of Kazakhstan. The customs duty rates set by the Government of the Republic of Kazakhstan and enter into force thirty days after their official publication. Rates of export customs duties established by the Government on the basis of proposals by the Ministry of Industry and Trade, and subject to official publication. Export customs duties are applied on the basis of the principle of MFN, except for goods exported to the member countries of the Customs Union between Kazakhstan, Russia, Belarus, Kyrgyzstan and Tajikistan. List of agricultural products HS code, subject to customs payments on the export of the Republic of Kazakhstan: 1. Raw hides of cattle, sheep, lambs, goats and other animals; 2. Wool and animal hair. Exemptions from customs duties. Benefits under the customs payments privileges understood in relation to the goods transported across the customs border of the Republic of Kazakhstan, in the form of exemption from customs duties and tariff preferences. Exemptions from customs duties provided in the order changes and
amendments to the Customs Code and can not be individual, except as provided for in Articles 330 and 331 of the Code. Tariff preferences 1. Under the tariff preferences are understood special advantages in the field of foreign economic activity, provided by the Republic of Kazakhstan States in the form of exemption or reduction of customs duty rates or quotas for preferential import (export) of goods. Tariff preferences granted by the decision of the Government of the Republic of Kazakhstan. 2. Goods imported into the customs territory of the Republic of Kazakhstan and originating from the states forming the Republic of Kazakhstan customs union or free trade area, as well as goods exported from the customs territory of the Republic of Kazakhstan in the specified state and originating from the Republic of Kazakhstan, shall be exempt from customs duties. 3. Goods imported into the customs territory of the Republic of Kazakhstan and originating from developing countries, using national system of preferences of the Republic of Kazakhstan, customs duties levied at reduced rates. List of such countries and goods, as well as reduce the level of customs duties established by the Government of the Republic of Kazakhstan. 4. Goods imported into the customs territory of the Republic of Kazakhstan and originating from the least developed countries, using national system of preferences of the Republic of Kazakhstan, shall be exempt from customs duties. List of such countries and goods determined by the Government of the Republic of Kazakhstan.

ORGANIZATIONAL MEASURES INCREASE PRODUCTION AND IMPROVE THE QUALITY OF GRAIN

Introduction of modern technologies of the industry, modernization and technical equipment of grain production. Modern technology of the grain industry include the correct management of farming. The first is the structure of the economy that meets soil and climatic conditions and market demand and supply. In most farms was established main monoculture wheat alternating with steam. This outdated method of grain production, which puts the economy totally dependent on the weather for one culture on the price of this culture. According to Academician of NAS RK MK Suleimenova research-proven, show that the experience of Canada, in northern Kazakhstan should move to diversify, that is under oilseed crops expand and legumes. This will improve the sustainability of the production as a whole. It should be noted that the grain market pea, chickpea and lentil significant enough. Suffice it to say that India imports about 3 million tons of grain legumes in the year, mainly from Canada. This can be run in and a part of our market. Nut has a great demand in Uzbekistan. In addition, the size of farms and equipment set to match each other, so that the technique was fully loaded and the field work was carried out at the optimum time. For example, in Canada, if the size of the farm does not comply with performance art, then go to the ground rent. Currently in the country mainly large grain holdings were able to secure their production close to the optimum set of modern technology. In other regions, particularly in the south, in small farms generally do not have its own equipment, used rental equipment, resulting in missed optimal sowing and harvesting, as part of arable land from year to year do not sown. In irrigated agriculture in the south is totally unacceptable use of primitive technology. The application of modern high-performance agricultural machinery increases grain yield by reducing losses. Large debris, along with the lack of good grain cleaning equipment, reduces the quality of grain and reduces its value. In developed countries, debris is always under control, as it decreases the harvest the weeds, as
well as competitor for moisture and nutrients. 12.2.2. Using low-cost technology of cultivation of grain by maximizing moisture resource conservative technologies. According to expert opinion, Academician of NAS RK MK Suleimenova the concept of low-cost technology is not quite right is associated with the use of resource-saving technologies. This is far from synonymous. According to the materials of foreign literature and to the observations Resource - is an abbreviation of field operations, reduction of labor costs and fuel, increasing productivity. At the same time, increasing the costs of weed control with herbicides. In some cases, increased use of fungicides to protect plants from disease. As a result, the cost of production of grain per hectare of crop can be close, sometimes may be slightly higher or lower, depending on the specific conditions. Much depends on the changing prices of herbicides, fuel and grain. If the price of glyphosate-type herbicides on the price of fuel and labor costs grow more slowly, then the cost will be on energy saving technologies (the PCT) will be relatively lower. Subsidies for the use of glyphosate reduce the cost of the PCT. On the other hand, sometimes a roll of heavy rains during sowing vlagosberezhenie may not give effect, and weed control by mechanical means will be easier and cheaper. In most cases we are talking about saving resources, ie soil and its fertility, which does not give immediate effect. The main advantage of the PCT is a qualitative field work in the short optimal timing, which guarantees higher yields by at least 15-30%.

DEVELOPMENT OF GRAIN PRODUCTION AND EXPORTS.

Expansion of state support development direction of supporting the development of export of Agricultural Products in the Republic of Kazakhstan Export promotion is important in modern conditions the direction of trade policy in many developed countries, and, in recent years, developing countries, in which a well-developed system of state support and promote national exports during the years of its existence has been effective. Along with the creation of a favorable macroeconomic environment for exporters widely used special measures for the development of export production and export expansion.

1. Supports trade policy measures
2. Promote export production (the state acts as a lender, guarantor, donor) in the form:
   - Tax exemptions;
   - Subsidies;
   - Guaranteeing private investments;
   - Concessional loans;
   - Grants;
   - Support export infrastructure;
   - To stimulate foreign direct investment;
   - Subsidizing research works;
   - The creation of free economic zones.

3. Direct export support:
   - Export credits (payments from special funds, refinancing subsidies through authorized banks, intergovernmental banking organizations, special loan funds);
   - Insurance of trade and investment on economic and political risks;
   - Tax and customs privileges (exemption from payment of the exporters of direct
or indirect taxes, tax cuts to companies that create foreign subsidiaries, with the exception of tax expenditures for research leading to the creation of marketing branches abroad, the tax exemption for components and materials used in the manufacture of exports, the creation of tax-free money funds the development of exports, reduction and refund of customs duties);

- Participation in the authorized capital firms established abroad;
- Information and advisory assistance;
- Promoting the exhibition activity of national firms abroad;
- Special measures of assistance (eg the establishment of special awards for their contribution to the export of any product).
- Program to create a national brand.

Methods of implementation. The experience of many countries shows that considerable importance in supporting the national economy has work to create memorable image (brand) of the country in the world, as it is very important to maintain the competitive position of the national product in the world market as well as enhance its attractiveness for foreign investors, trading partners and tourists. Must hold in the key countries for Kazakhstan survey, aiming to reveal how they perceive Kazakhstan. Development Programmes for national marketing, which is seen as an action plan for the development and promotion of national brand of Kazakhstan in the world that will enhance the competitiveness of Kazakhstan's economy in global markets. As part of in-country export development program can use two main tools: technical assistance grants. Using various forms of technical assistance can create the institutional structures necessary to ensure the export expansion of Kazakh companies in the global market. These forms include, in particular, grants and consulting assistance to implement new tools to support exports, assistance in establishing contacts with foreign trade missions, training programs for agricultural crop producers. In turn, the program provides subsidies to entrepreneurs co expenses for their training in export activity: “An introduction to export” - providing subsidies to exporters beginning of the number of small and medium entrepreneurs to co-finance the cost of participation in program; • «Export Support Program” - providing subsidies to exporters active on the costs of co-promotional marketing activities in foreign markets: The aim of the project "An introduction to export” is to support export development by training personnel in the field of export activity (subjects of the marketing and export transactions), the maximum level of co-financing: 60% of the costs. "Export Support Program” - its purpose is to support export development by providing grants for the implementation of measures for the development of export markets:

• study the situation on foreign markets,
• Partner search
• secondment of experts to study the market in place
• measures to promote products to a new market
• participation in the exhibition activity abroad Improving existing tools to support exports.

The introduction of new tools to support exports.

In the agricultural sector for exports requires a wide range of services designed to meet the specific needs of clients, including integrated packages of services to the specific needs of each client, from the producer in one country and ending in
another processor. Consider the problem of quality control of crops, their solutions and the role played by insurance in solving these problems in export operations with grain cargoes. Export insurance - in order to confirm that the quantity and quality of goods sent or received fully meet contract specifications and statements of the sender. The contracts with the shipment of wheat to foreign countries (Italy, Turkey, Germany, Iran, Mongolia, etc.) are most often found the following requirements:

- weight of the grain is not less than 750 g / l for soft wheat and not below 780 g / l for durum wheat;
- content in durum wheat wheat no more than 5%;
- Mass fraction of wet gluten within 23-30%;
- vitreousness not less than 75% for durum wheat;
- do not fall below the number of 250-300 sec;
- W windchill 200x10-4 J;
- Green index of not less than 23 ml;
- a protein content of not less than 12% on dry substance;
- pest infestation is not allowed.

Based on the average quality of wheat in Kazakhstan, namely:

- the protein content depending on growing region ranges from 12.9% to 16.5% on dry substance (average 10 years);
- Mass fraction of wet gluten (GOST 13586.1-68) from 23 to 41%;
- compressive deformation test (W) from 210 to 600h10-4 J.

The existence of a large number of international, regional and national standards, terms and their discrepancy methods for determining quality indicators makes it difficult, and often impossible for a proper understanding of the requirements of many foreign contracts. For example, in the international standard ISO 7970:2000 is no analogue of grain impurities (GOST 9353-90 Milling term), and allocates a separate category - Damaged wheat grains (wheat damaged), which include broken kernels, immature and small grains that have passed through a sieve 1 , 7h20 mm, spoiled grain (Musty and grain damaged heat), corroded grains, sprouted grains. This category consists of grains with varying degrees of damage, which according to GOST 9353-90 Milling referred to as a grain, and the foreign material. Also, 50% broken and corroded grains according to GOST 9353-90 Milling refers to the main grain, ie not counted as an impurity, and the content of fine grains passing through a sieve of 1.7 mm x20, determined only by special request. The seeds of other cereals in wheat stand out in ISO 7970:2000 separate category. When comparing the terms and definitions of impurities between GOST 9353-90, EC 824/2000 and the USDA standard problems are similar. There is also a large number of contractual terms which are absent in the known standards, adequate interpretation which is only installed on the working arrangements between the world market quality control laboratories crops. For example, the term Grain admixture can be literally translated into Russian as “Grain impurity” and thus understood by analogy with GOST 9353-90 Milling, it can also be translated as “the admixture of other grains” and depending on the size of the impurity the maximum allowable under the contract, refers to either the content of whole grains and seeds, non-wheat, or the content of grains and seeds of other non-wheat cereal. It should also pay attention to differences in the definition of such an important figure as the amount of wet gluten. In addition to problems associated with reliability and reproducibility determining the amount of gluten, also there is a second aspect of the problem - it rheological properties, or the actual quality of gluten. Most advanced in terms of the number and quality of gluten mechanically ICC standards are 155, 137, 138 and AACC 38-12, where regulated mechanical method of washing with brine and determination of the quality of this
substance through the gluten index. Another issue concerning the definition of gluten is the lack of local organizations selling grain, and often certifying its quality, the differences between the standards of ISO and ICC, AACC part in determining the amount of gluten. For example, according to standards ISO, this option is available only in a flour that gives improved results compared to other international standards, where washing is carried out meal. In this regard, I would like to emphasize once again the need to reflect the test methods in the contracts. Grain quality depends not only on the quantity and quality of gluten proteins, but also on the carbohydrate-amylose complex, which can be determined by the indicator "falling number" (Falling number). This indicator has a high technological relevance in those regions commodity grain production, where it is often the case in the bud germination due to high atmospheric humidity during the ripening grain. Upon germination of grains is an active alpha-amylase synthesis, which leads to hydrolysis of starch, partial transition into soluble sugars to release moisture. The quality of the bread baked from flour sprouted grain usually happens nonstandard: crust flabby crumb gray, damp, glosses, a malty smell. For correct use of grain to avoid complaints when imported must timely and correct definition of the indicator "falling number" (PE). The current standard ISO 3093-2004 and GOST 30498-97 as a base moisture while taking sample meal or flour to determine index regulate PE 15%, and the standard ICC 107/1 - 14%. Minor differences in the amount of material (meal, flour), due to differences in the basic humidity when working with sprouted grain can cause differences in determining the index PE. Between these standards, there are differences in sample preparation and material, which also affect the final result. Along with the above there is also a lot of other problems associated with the determination of the content of seeds of wild grasses (wild oats), the extent of damage chinch etc. associated with the special requirements for grain supplies to other countries (Kenya, Tunisia, Morocco and etc.). Given the above, it can be argued that often neither the sender nor the buyer does not have reliable information about the real quality of sell / buy grain until its quality control during the loading or unloading of the insurance company. Export insurance based on knowledge of international and national standards, the requirements of different countries can not only reflect the actual reports and certificates (at the time of inspection) condition of the cargo, but still under contract to help the parties to understand each other, to give an opinion, whether stored crops comply with this contract upon acceptance into warehouses to implement segregation of grain at different (most importantly) quality indicators to help in the blank with the necessary grain quality indicators, and in case of problems to defend their conclusion on the results of the inspection and to protect the client's interests. An important role is also played by the presence of various organizations and accredited in accordance with various standards laboratories whose opinion would be recognized and taken into account in arbitration, having high-level specialists, modern, constantly checked and calibrated equipment, the accuracy of the conclusions which periodically checks the various systems of domestic and international tests. Thus, the availability of insurance functions allows you to export the main task - to help growers reduce the risks of export operations with grain cargoes. Warranty service should include a set of inspections with one common goal - ensuring not only the appropriateness of methods, but also save the final results. Warranty products covering risks associated with grain cargoes: - Guarantee full unloading (FOG): control spending in ports / stations for loading and unloading is possible to guarantee bulk cargo weight or quantities of the package. In case of any shortfall is offset by the cost of the contract price; - Guarantee full coverage (SS) includes all the benefits of the guarantee plus full unloading sea / rail insurance. In addition, the facilities include a control for loading and unloading and guarantee financial compensation when it detects the difference in weight; - Guarantee quality
protection (QRP): during the quality control in the ports / loading and unloading stations, may guarantee the quality parameters of cargo. This warranty program is based on the convergence of methods for qualitative analyzes;

- Other types of guarantees:
- A guarantee against failure taking this ship accepted the costs caused by the refusal to accept the official authorities of the vessel at the port of destination for any reason (except for the presence of insects);
- Guarantee fumigation / demurrage: accepted responsibility for all costs associated with downtime and re-fumigation vessel in the port of destination in the case occurred during transport cargo reinfection.

Kazakhstan is actively built up flour exports to foreign markets. Over the past 3 years the volume of exports of flour from the country increased by 2 times. It should be noted that the total exports of agricultural products processing in Kazakhstan flour is about 80% of total. Kazakhstan exports annually about 1.0-1.8 million tons of flour and among the top ten exporters of flour. Kazakhstan's share in total world exports of flour is more than 14% today. According to international experts in the 2015-2016 year Kazakhstan will maintain its leadership position as the world's largest exporter of flour. The current world market of flour has developed over the years of the characteristics that define this market practice "hard". Important feature of the global market of flour is its limited - no more than 10 million tons. However, in recent years, the trend is towards an increase to 11 million tons. This is due primarily to a sharp increase in wheat prices, which stimulates the demand for flour. Another feature of the market is the small number of the largest exporters of wheat flour, which operate in this market. Among them are the EU countries (France, Belgium, Mr. Hermann, Italy), USA, Kazakhstan, Turkey, etc.

Kazakhstan stable position in the world market is ensured by a special flour baking properties of Kazakh flour produced from domestic wheat is well known in countries near and far abroad for their high quality. This allows Kazakh flour to be competitive on the global market and provide good markets in different countries. High competitiveness of Kazakh flour on foreign markets is confirmed by competitive advantages Index (DMI), evaluating the competitiveness of goods in foreign markets, which was formed by flour at 7.5 units according to the Concept of agricultural products to improve the image of Kazakhstan prepared under the World Bank and the Ministry of Agriculture RK "Improving the competitiveness of agricultural products in Kazakhstan. "([IPC> 1 - production of goods is competitive, the ICP <1 - has no competitive advantage).

STUDYING THE COST OF GRAIN PRODUCTS IN KAZAKHSTAN

Studying the cost of flour (for example, enterprise Kostanai region) showed a dominant share of raw materials (wheat). For example, in 2012 48.1% of the costs occupied wheat, in 2013 this figure was 59.7%.

Increase in the share of raw materials in 2013 was due to rising prices of wheat. Raw material for follow-largest salary costs. Their share is 15.5 ~ 20.1%. Other expenses go 8.3-10.6% of funds. The share of transport services represent 7.3-8%. The use of electricity consumed 7.2-9% of the funds. Share the cost of repairs is insignificant - is only 2-2.2%.

As noted above, the rising cost of flour in 2008 compared with the previous year was 26.6%. The individual articles influenced the formation of the total cost in different ways.
For example, if the cost of raw materials due to the total cost of flour has increased by 27.5%, in result of the increasing cost of transport services and repair cost increase was 1.2% and 0.4%, respectively. This analysis shows a high degree of dependence of the value of the cost of wheat flour. Decrease in salary costs and renting only marginally affected the decrease in cost.

In the target company in 2013 issue volume amounted to 304 tons of flour, which is higher than the 2007 figure of 31.6 tons. However, the growth rate of (11.6%) is far inferior to the rate of growth of production costs (41.3%), ie, a major factor in increasing the cost is to increase the production costs, in particular the rise in the cost of wheat. For comparison, the cost of formation depending on regional characteristics provides information on the cost of flour in the company of the Karaganda region, where the cost structure is significantly different from a similar structure in Kostanai region. First and foremost, it should be noted a high proportion of the share of raw materials, which is 85.6-86.5%. Wage is 4.2-5.8%, the share of individual other expenditures do not exceed 2%.

In 2008, enterprises Kostanai region the figure was 52 180.4 tenge, up 7 749.6 tenge or 17.4%.

In the structure of the cost of the main raw material production of bread (flour) and materials held in 2007 and 2008 61.1-65.6%, respectively. Also, a significant share of costs accounted for by wages (22.3 ¬ 23.9%). Other expenses occupy 7.4-10% of the total cost. For comparison, the data on the cost of bread in the company of the Karaganda region. In 2008, the cost of 1 ton of grain was 52 016.2 tenge, which is almost at the level of the indicator enterprises Kostanai region.

In the cost structure of the main part is occupied by the costs of flour - 63%. Behind them followed largest auxiliary production costs and general administrative expenses. The wage share is 6.9%. On energy consumption 5.9% of funds go. If the growth of the total cost of 1 ton of grain in 2008 was 17.4%, the dominant part of them (15.9%) was caused by rising costs for raw materials and other materials. As a result of the growth in wage costs cost of bread rose by 2.3%.

The influence of other articles on the formation of the cost can be characterized as minor.

It should be noted in the study of bread production sector in 2013 was higher than in 2012, but the growth rate below the rate of increase in production costs, which ultimately caused the higher costs.

Conclusions on the cost of grain and grain products
The cost structure of grain by-products shows a dominant share of the costs for raw materials and components. Also of note is the high cost of wages and electricity in processing plants.

The results indicate the need to improve the level of agro-technology activities, which is key to getting a good harvest and ultimately have a positive impact on the level of production costs.

Also need to increase the level of capacity utilization and labor productivity in processing plants.

Analysis of the state of grain-processing industry
Millers Kazakhstan is one of the fastest growing industries of the processing sector. During the perestroika years, the number of mills in the country has increased tenfold. In 1999 ... 2000, the total number of mills in the country was estimated at 2200.2300 units.
The total number of mills in the country, according to the Union of Grain Processors and Bakers of Kazakhstan is 1300-1600 with a total capacity of 6.0-6.5 million tons of grain, although the number of mills compared to 2000 decreased significantly in 2014 and amounted to by 650 units. In the period of transition to market relations flour industry received intensive development, dynamic growth amounts mills. Peak height (2300 companies) registered in 2000. After 2000, the number of mills is reduced. Low-power mills, unable to compete with high-performance large enterprises out of the market. This process continues at the present time. With the reduction in the total number of mills increased their production capacity and estimates of the Union of Grain Processors and Bakers of Kazakhstan (SZHK) is about 7.0 ... 8.0 million tons per year (in grain) with the internal needs of about 2 million tons. Power of large and medium-sized enterprises are able to provide not only the domestic but also exported. Characteristically, the last decade, feed processing industry developed as an export-oriented. Priority flour exports due to the following factors.
- In terms of value meal in 1.5 - 2 times as much grain.
- Increased utilization of domestic mills and employment.
- Increased foreign exchange and tax revenues.
- Strengthen Kazakhstan’s position as a producer of high-quality products in the foreign market.

High demand for Kazakh flour due to high quality of processed grains. For export are delivered not only traditional varieties of flour, but flour made with specific properties to meet the requirements purchaser. With the reduction in the total number of mills in operation introduces new mill. They usually have a capacity of at least 100 tons per day (in grains). Furthermore, they have developed a flow chart that provides a higher yield and better quality of the flour. Only last year in Kazakhstan commissioned large mill complexes: 300 t / - JSC "KazAgroServis (Turkish production mill), 300 t / - JSC" Melkombinat "(mill Okrim)", 450 t / - JSC" East - Kazakhstan flour - feed mill "(mill Buhler)". In addition, each year we introduce new mill capacity of 100 tons per day. New capacity mills manufactured by reputed engineering companies - leaders in the manufacture of such equipment - allows businesses to not only improve the quality of products, but also reduce its cost, as well as to expand its range of production. All this, combined with the high quality of Kazakh grain to be sent to processing, and determines the high quality of the flour produced in our country.

Accommodation capacity of the mill is generally carried out in the field of raw material - in the main grain regions of the country - in the southern and northern zones. In Kostanai region operate stably over 105 mills, the total processing capacity is up to 1 million tons of grain a year. Kostanai mill processed 60% of the volume of grain produced, 20% recycling accounted for Rudniy. Flour production volumes exceed the annual requirement of the region's population (according to national standards - 120 kg / year per capita) is more than 7 times. Major producers of flour over the region are: JSC "Kostanaiskiy Flour" (LLP "Grain Industry"), TOO "Tobol-Agro", TOO "Asal" LLP, "MV Vadis", LLP "Sarybai" LLP, MK "Romani", LLP "Kazmelmashi" LLP, "Oriole." In South Kazakhstan region flour producers are TOO "Arai", LLP "Amangelady" and LLP "Aysu holding." Karaganda oblast enterprises milling industry are: TOO "Jer Arna" JSC, "Bakery", LLP "Corporation Karaganda-Nan", JSC" Bidai Nan", LLP" Karaganda Flour. In North Kazakhstan region operates 155 mills, of which the largest producers are: TOO "Sultan Elevator - the Mill-macaroni complex", LLP "Mamlyutsky flour Plant ", LLP" Kzyltusky flour mill. Facilities mills in the country, according to various estimates, ranging from 1.6 to 1.9 thousand mills. Most have foreign equipment Italian, Swiss-made, etc. The main trends
in the milling industry are: growth mill enterprises average power; construction of new high-mills; increased competition between large mills; focus on foreign markets; gradual transition to the production of flour under the requirements of the customer, not by guests as it was before. Loading mill companies also differs significantly between the groups as mills and within groups. Large mills having developed technological scheme and producing high quality flour, loaded high enough. Overall load large mills can be estimated at an average of 80 ... 95%. Mills loaded less average power and low productivity of the mill - and even fewer have generally average load factor at 20.50%. As a result, the total milling capacity in the republic at 4.5.5.0 million tons a year, is actually produced (excluding shadow turnover), about 2.1 million tons of flour per year.

**Basic problems of grain processing industry**

Grains - raw materials used in the milling industry. In this regard, the state determines the grain market stability and market efficiency in the milling industry. Grain market poses two challenges for millers:

1. **Capacity of the market (the balance of the grain) and the instability of the grain market (pricing environment):** The existing accounting system availability of grain and its use is imperfect and does not allow the use of grain as a tool to balance the grain processor in business planning - both strategically and tactically. On the proposals of the Union of Grain Processors and Bakers of Kazakhstan (SZHK) is advisable to have a balance of food grains, while proposing the deletion of data on seed and fodder grain and grain state reserve. In this case, the balance sheet will be presented only data on the actual availability of food grains, and his presence will be judged on the actual amount of grain to be processed for the saturation of the domestic market, as well as on the availability of grain, which is the export potential - or as pure grain form or grain processed into processing products;

2. **Instability of the grain market.** Performance of one contract of grain processing, as opposed to purely grain, much of "long" time. If the price of grain at this time "jumps", but still downward, it is quite understandable, working out of such a contract is problematic.

3. **Regulation of prices for wheat grain on the domestic market, and if carried out, it is only to prevent "failures."** At the same time, as noted, is much more important than a stable price. According SZHK, should play this role of JSC "NC" Food Contract Corporation - how to use the intervention mechanisms and by providing the maquila industry commodity loans grain. In the first half of 2009 SZHK agreed with JSC "NC" Food Contract Corporation "reporting mechanism such commodity loans. At the same time, throughout the year it is possible to allocate no less flour mills 1.0,1.5 million tons of wheat under this principle. Flour exports in recent years has become comparable with the volume of grain exports, which automatically made exporters of grain and flour competitors. The situation worsened in 2008/2009 MG when grain traders Kazakhstan emphasis in export business done on the Central Asian countries - traditional export markets flour. A similar trend has continued in 2009/2010 MG. Moreover - this trend is recognized major grain exports, which in itself casts doubt on the reality of development, or at least save in previous volumes of export flour market. Kazakhstan traditional flour exporters, against the background of grain exports to their markets, taking active steps to reduce exports of flour: Uzbekistan is building a number of high-mills on the border with Afghanistan; - Tajikistan has reduced import duties on wheat and also develops its own millers; - Kyrgyzstan began dumping investigation with respect to the growth of exports of
Kazakh flour and imposed import duties at the rate of $70 per tonne;
Under the circumstances, need a clear strategy for the development of exports,
equally providing government and business interests, as the export of grain and flour.

Favorable factors of industry development
The rapid development of grain processing in Kazakhstan contributed to a number of factors. One of the main factors - high quality grain to be sent to recycling. Its grain has a high export potential. In countries - importers of Kazakh grain it is usually added in the grinding game to improve the original content of gluten (protein) in the grinding party. We recycle our grain in its pure form, which certainly can not affect the quality of the resulting flour and pasta. Second, no less important factor in the development of millers in the country - the proximity of potential export markets. About 90% of the flour is exported, always comes to the CIS countries. Strong customer demand in these countries predetermined development of the export potential of the industry. The third factor - the development of grain processing contributed to the current favorable legal and regulatory framework in the country. Fourth - the availability of the necessary raw materials. There was always enough grain that could be sent to processing, the price was affordable. Fifth - technical equipment mills and enterprises - manufacturers of pasta and cereals. Over the last decade, almost all mills passed or upgrading or re-built. Currently technological schemes let you receive the products with any quality indicators. Sixth - millers departed from flour production with quality indices determined guests or ST RK. The basis of the qualitative requirements laid flour, stipulated in the contract delivery. Thus, customer requirements are taken into account as much as possible, which also contributes to consumer demand. Throughout the world, a lot of attention in the production and importation of foods give quality standards and food safety. In this regard it should be noted, is another advantage of the production of Kazakh flour their naturalness and environmental security, the absence of any genetic modification, and / or contents of unsafe health ingredients. In this respect, according to experts and Kazakh companies export of Kazakhstani agricultural products and processed products in the CIS countries, Central Asia and the Caucasus is carried out without any difficulty, except in rare cases, as these countries have a harmonized interstate standards of quality and safety, based on Soviet guests. Difficulties arise when exporting goods to Kazakhstan - EU because the EU has not developed until the end of the common rules and standards for food safety, which should be done, to countries outside the EU to enter the EU markets with their food products. In each country, they differ because of different historical backgrounds and traditions of the organization of official controls. At the same time, it should be noted that domestic producers are not limited to legal obligations to adhere to certain standards of quality flour, which enables them to produce flour in accordance with customer requirements, which contributes to the effectiveness of sales and to what - what degree is another competitive advantage of domestic flour on the outer market.

Experts predict that the Russian analytical agency of "Business Statistics" Moscow world flour production in 2014 is expected to reach 278.3 million tons, with an average annual growth projected at 1.15%. In connection with the projected population growth in the world at 3% to 7 billion people by 2014, the volume of world imports of wheat flour to increase by 26% to 13.6 million tons, and exports is expected to grow by almost 2 to 15 times, 6 million tons in 2014.
In 2015 the global market for flour in value is expected to reach 114.3 billion U.S. dollars, at an average cost of U.S. $ 436.1 per ton. By 2014, the projected growth of the world market of flour to 137.2 billion U.S. dollars, while the average annual increase in the average selling prices will 102.4%. The total capacity of the export of Kazakh flour until 2014 is expected to: To the south at 2500 tonnes; In an easterly direction at 45 tons, In the north and west of 10 thousand tons.

In addition, it should be noted and promising markets of India and China. These two countries in the next decade will increase its population of 1 billion people. At the same time opportunities for a corresponding increase in food production in these countries almost none. All agricultural land is already developed, furthermore, as a result of the urbanization of the area has been steadily declining. And, along with the growth of the population in these countries varies considerably and dietary patterns, grain products in the diet is becoming more. Respectively - in the medium term should be ready to develop trade relations with these two countries.

Forecast of consumption and imports in the potential consumers of Kazakh flour in 2010 - 2014 GG

Experts analytical agency of "Business Statistics" Moscow believe that Russia, whose domestic production of agricultural products is growing recently at a rate not exceeding 2% per year, it is unlikely to increase import quotas for food until 2015, but not reduce them. Uzbekistan, Tajikistan and Afghanistan will continue to be our regular importers of flour. Italy may significantly increase grain imports from Kazakhstan to 300 tons or more per year, if it is guaranteed to grain production of durum wheat (durum) according to international standards. For this we need to have cooperated with the Italians work to assess the quality of durum wheat grain. Other countries include Ukraine, Belarus, the Baltic countries and the EU, the Arab world. Potentially a major importer of grain may be China. We must also explore the markets of the EU and Southeast Asia. Major wheat exporting countries are exploring every potential consumer in terms of specific requirements for the quality of the grain. The fact that different countries bakery products manufacturing process differs significantly. Determination of optimal technologies, drawing flow chart for processing enterprises, recommendations and rationale for siting of grain-processing industry, the necessary capacity in the country to ensure the development of grain-processing industry. Technological processes of grain processing at mills Kazakhstan regulated "Rules of organization and conducting process flour mills", approved in 1991, the State Commission of the USSR Council of Ministries of Food and Procurement. In Kazakhstan in the period of independence park in the small medium entreprise updated almost 100%, due to the construction and installation of new mills, as well as modernization, renovation and retrofitting existing melpredpriaty. Approved technological schemes for newly built enterprises schemes are provided by the project and the last examination of the customer. As a result, the total milling capacity in the republic of 4.5 ... 5.0 million tons a year, is actually produced (excluding shadow turnover), about 2.1 million tons of flour per year. Loading mill companies also differs significantly between the groups as mills and within groups. Large mills having developed technological scheme and producing high quality flour, loaded high enough. Overall load large mills can be estimated at an average of 80.95%. Mills loaded less average power and low productivity of the mill - and even fewer have generally average load factor of 20. 50%. In the milling industry of various countries in the last 10 years to produce the prevailing trend is not strictly regulated circuits process flours, and certain types of flour, and mix with the addition of various components to customers' orders.
Mills Switzerland, England and other countries built two sections mill wheat and rye pray with bulk storage to enable the development of various types of flour available components. Currently entered mill complexes in conjunction with a mini-elevators. In November of this year in the Akmola region claim Shortandy planned commissioning of the new mill complex. Its special feature is that the new technology is used here heating. The complex will process 120 tons per day of grain and mini-elevator to 7.5 thousand tons. Provides road and rail acceptance. In addition to the main product - flour - a lot of attention paid to collect quality bran. Bran will receive in the form of granules of up to 60 tons per day using steam. Today, this product is in great demand in Iran, who is willing to buy it in our country in large quantities. During the construction of the mill complex heating a new technology based on using the energy of the Earth. 9 wells were drilled at a depth of 100 meters, they were inserted probes and filled with glycol. The heat pump provides heat and warms the entire complex. Moreover, the water outlet temperature reaches 65 degrees. The plant will produce packetized flour 2, 4, 5, 25, 50 kg. Moreover, a large part of the production will be exported. In general, according to the recommendation paper, the area sown to grain in Kazakhstan are proposed to harvest from 17.2 million hectares in 2014 to 16.7 million hectares in 2015, including the wheat from 14.2 million hectares in 2017 to 12.4 million hectares in 2017. Based on the recommendations of leading scientists of Agricultural and global best practices strongly recommended introduction to the total sown area moisture conservative technology with the development of crop rotation crop rotation plan, ie alternation of wheat with legumes and oilseeds (instead of the modern practice of alternation of wheat with steam, it should be noted that the vapor soil erosion continues). Ensuring the protection of plants by soil application of mineral and organic fertilizers and processing of crops with herbicides latest generation (as practice shows an increase in fertilization and herbicides in low culture farming is not payback). Effectiveness of measures to introduce viagoresursososberegayuschih technologies available in the implementation of full-scale technical support industry. These complex actions directly affect the quality parameters of the state of arable land, and will boost crop yields: in the northern regions with 12 t / ha to 14-15 kg / ha, in the western regions with 7 t / ha to 9.10 t / ha in the southern regions with 12 t / ha to 13-14 t / ha. Rice requires a comprehensive reconstruction of irrigation systems (in conjunction with drainage) - 168.5 hectares, requires the implementation of laser corrections land on rice culture. In 2014, estimated exports of domestic wheat ~ 9 - 10 million tons, the main direction of exports - Countries of Central Asia, Iran, China - a promising market, which is a large capacity (additional information: w / d transportation to the station. Dostyk - 24 U.S. $ / t 10 USD / t packing in bags; freight from the U.S., Canada to the Chinese coast 26 U.S. $ / ton). In 2017, the estimated volume of exports of domestic flour ~ 2.5 million tons. Promising markets for flour - the countries of Central Asia.