



Sector teaser for the production of feed  
(succulent and coarse), compound feed and  
extruded feed in Kazakhstan

December 2021



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- Feed crops are among the main products for agricultural needs. They play a huge role in maintaining the level of production in animal husbandry. Hay, haylage and fodder twigs, which are export commodities, account for the largest share in the country's feed production. The following crops are also widespread for feed production:
  - feed corn,
  - fodder roots,
  - grass for green feed, haylage and other products.
- In 2020, the gross yield was 160.8 thousand tonnes of feed root crops, 2.2 thousand tonnes of feed melons, 34.6 thousand tonnes of silage feed, 1,523.8 thousand tonnes of feed corn, 43.9 thousand tonnes of feed grains, 18.1 thousand tonnes of feed legumes, 15,706.6 thousand tonnes of grass hay and 612.0 thousand tonnes of grasses for green feed, haylage and other products.
- About 45% of legal entities in the agriculture, forestry, and fisheries sectors are concentrated in Turkestan (21%), Akmola (12%) and Almaty (11%) regions. In addition, the industry employs 243,833 individual enterprises (IE), most of which are located in Turkestan (33%), Almaty (19%) and Zhambyl (10%) regions.
- It should be noted that there is an increase in the demand for feed in the world. In 2020, the demand for animal feed was US\$ 575 billion. Global Research & Data Services forecasts that demand for animal feed will reach US\$ 852 billion in 2025.



## Feed production sector

- Currently, the development of feed production in Kazakhstan is at the stage of reform. In 2020, the share of feed crops production in the country's GDP was 0.6%. Kazakhstan has fiscal resources to support the rapid development of agriculture. Thus, significant investments in agriculture since 2016 have given impetus to the dynamic development of the agro-industrial complex and contributed to the growth of production capacities, which led to a significant increase in annual production volumes. In turn, the production of high-quality feed will stimulate an increase in livestock breeding by local farms.



## Import substitution and export potential

- Kazakhstan has a huge, underutilised agricultural potential, possessing the most important resource of agricultural production - only 13% of agricultural land (222 million hectares) is classified as arable land. Given the arid agriculture in the country, it is necessary to restore and develop irrigated agriculture, the use of modern irrigation methods and the compliance with agricultural technology. These measures will make it possible to achieve high yields in the cultivation of crops for feed production, to increase the production of feed as a value-added product, which will fully solve the problems of their imports substitution, and also stimulate exports in the future. The continued development of the "One Belt – One Path" initiative may help Kazakhstan create a more sustainable road and logistics infrastructure, enter the major Chinese, Russian, EU and Central Asian markets, helping the country establish new trade partnerships capable of benefitting the country's agriculture sector against an increase in volume and the geographic size of the sector. In general, it is expected that demand in such border states as China and Russia will be positive in the medium and long term.



## State support

- Feed production is one of the priority sectors of the national economy, which receives state support within the framework of the Entrepreneurial Code, the State Programme for Agricultural Industry Development in 2017-2021. One of the strategic directions for accelerating economic diversification in order to achieve sustainable long-term growth of the country is the development of a large-scale competitive agro-industrial complex in Kazakhstan.

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# Classification of feed production



According to Common Classifier of Economic Activity 03-2019, the ready-made feed sector is divided into 2 main segments: the production of ready-made feed for farm animals and the production of ready-made feed for pets. In this review, the following types of feed for farm animals are considered in detail: succulent feed, coarse feed, compound feed and extruded feed.



Succulent	Coarse	Concentrated feed	Green feed
Fodder root crops	Hay	Micronised	Grasses from natural meadows, pastures and sown grasses on cultivated pastures
Melons and gourds	Straw	Malted	
Forage crops for silage	Silage	Extruded	
Fodder corn	Browse	Yeast	
Fodder grain		Compound	
Fodder legumes			

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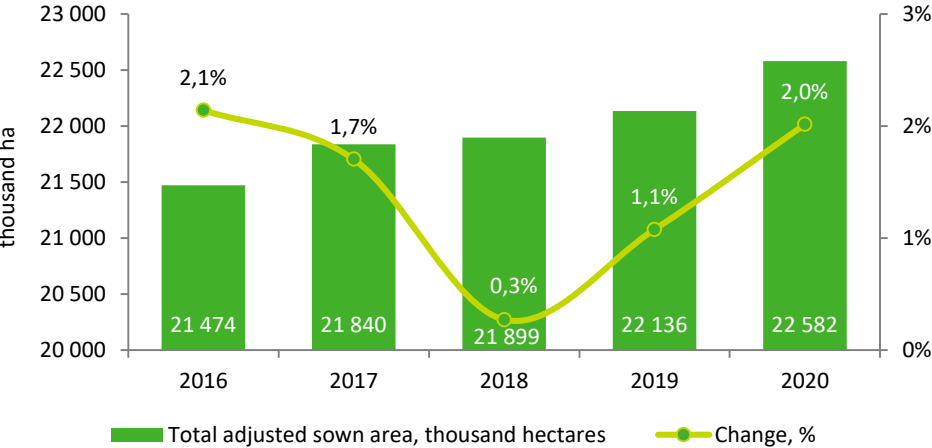




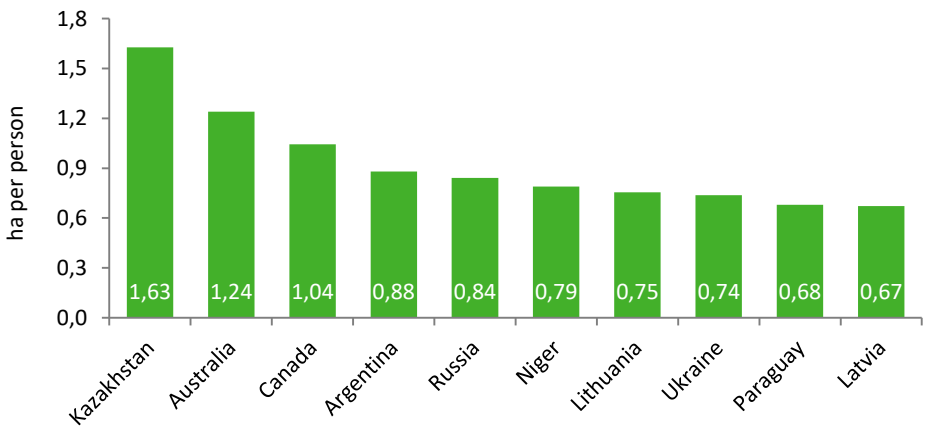
# Arable land in Kazakhstan



Change in sown area of agricultural crops in Kazakhstan



Change in arable land per person in selected countries, 2018\*



- Kazakhstan is known for its vast arable land and natural pastures for the production of competitive agricultural products in excess of its own needs.
- The level of available arable land per person in Kazakhstan is higher than in all other countries. According to the World Bank, in 2018, the level of available arable land in Kazakhstan per person was 1.63 hectares. This figure is 31% higher than that of Australia (1.24 ha).
- The sown area in Kazakhstan in 2020 was 22.6 million hectares. Compared to 2019, the indicator increased by 2%. CAGR of the sown area in Kazakhstan for the period from 2016 to 2020 was 1.3%.
- The largest sown areas are concentrated in Kostanai region - 5.2 million ha (23%), Akmola region - 5.2 million ha (23%), North Kazakhstan region - 4.3 million ha (19%) and Pavlodar region - 1.5 million ha (6%).

\* Data for 2019-2021 is not available

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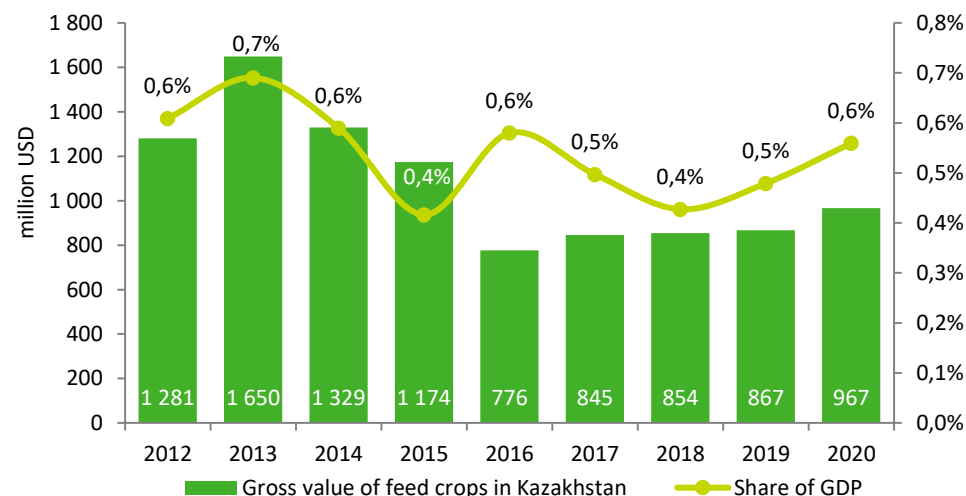


# Overview of feed crops in Kazakhstan

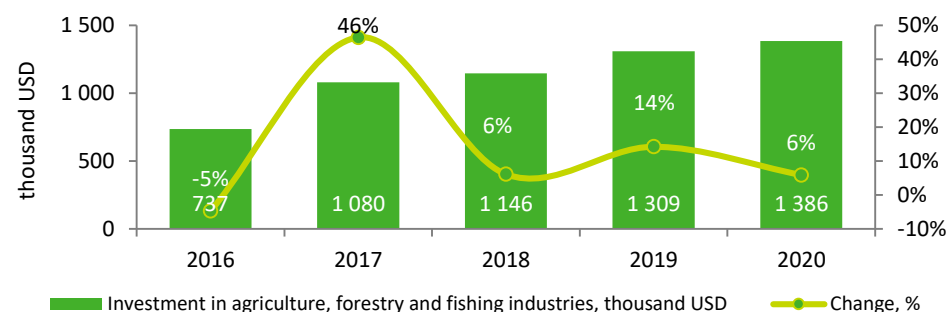


- Feed crops are one of the main products to support agricultural needs. Fodder products of all types contain the necessary trace elements that allow maintaining a proper diet for farm and domestic animals.
- Feed occupies a significant share (over 50% -80%) in the structure of the cost of livestock products. Kazakhstan has its own production of compound feed and additives, but high-tech additives (amino acids, vitamins), which increase the feed efficiency, are imported from abroad. Imported animals are especially sensitive to feeding conditions and adherence to the required diet.
- The main feed crop areas are in the north of the country – Kostanai, Akmola and North-Kazakhstan regions thanks to their chestnut, chernozem, sandy loam and moderate climate. Production and technical facilities are improving and work is being performed to improve irrigation.
- The average annual growth in Kazakhstan gross feed crop production in 2012-2020 was 9.7%. In 2020, gross feed crop production increased by 21% to 967.6 million USD compared to 2019. Feed crop production's share of the country's GDP is 0.6% for 2020. In 2020, investment in the agriculture, forestry and fishing industries grew 12.6% year-on-year to 1.4 million USD. CAGR in 2016-2020 was 22.8%.
- In 2020, the main grain sowing regions of North-Kazakhstan, Akmola and Kostanai region sent 585.4 million USD to the sector, which is 42% of total investment in the agriculture, forestry and fishing industries. 88% of investment in agriculture, forestry and fishing industry capital was used to grow annual and biennial crops.

Gross feed crop production in Kazakhstan, million USD



Investment in the Kazakhstan agriculture, forestry and fishing industries, thousand USD



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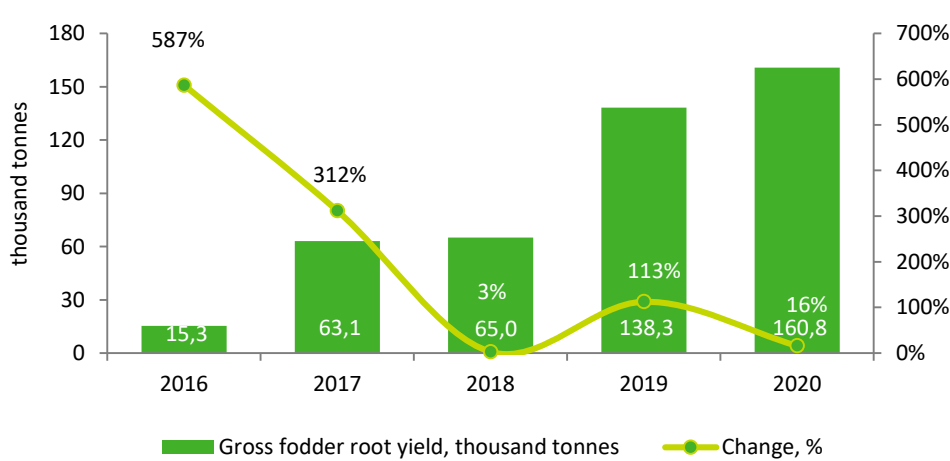




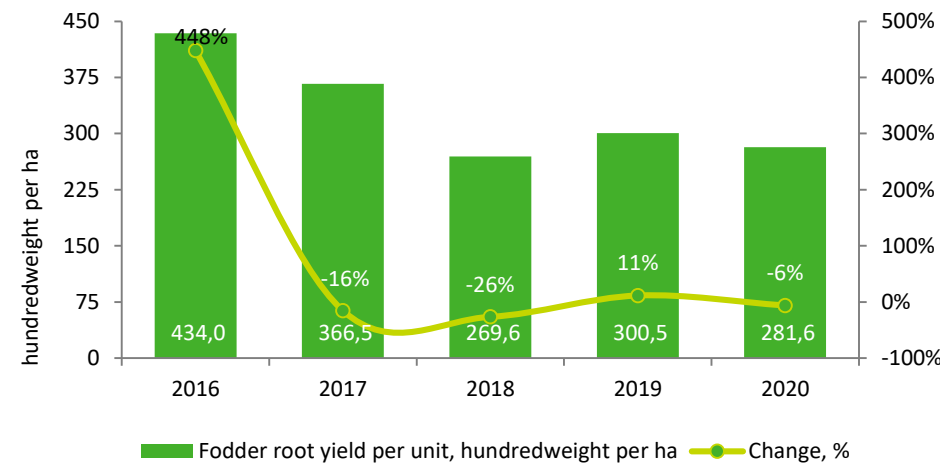
# Fodder root production in Kazakhstan



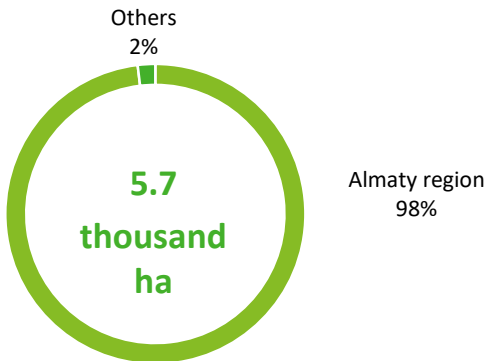
Gross fodder root yield in Kazakhstan for 2016-2020, thousand tonnes



Fodder root yield per unit in Kazakhstan for 2016-2020, hundredweight per ha



Fodder root sowing area in Kazakhstan in 2020, ha



- Fodder root crops are plant species such as beets, carrots, rutabagas and turnips, which are distinguished by their dietary properties and water composition.
- Gross fodder root yield in Kazakhstan in 2020 was 160.8 thousand tonnes. CAGR of fodder root yield in 2016-2020 was 80.1%. The fodder root yield per unit in 2016-2020 was unstable, averaging 281.6 hundredweight per ha in 2020.
- The total fodder root sowing area in 2020 was 5.7 thousand hectares. The largest sowing area has been Almaty region – 98%. Fodder root sowing area increased by 16.2 times since 2016.

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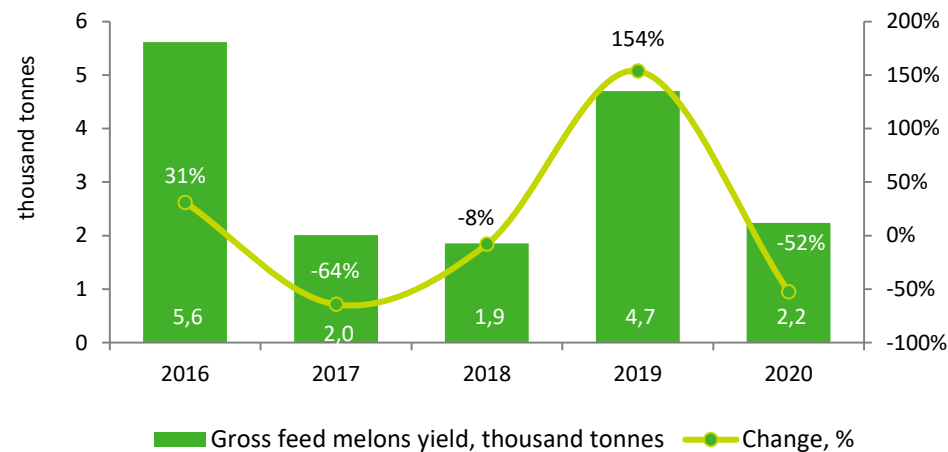
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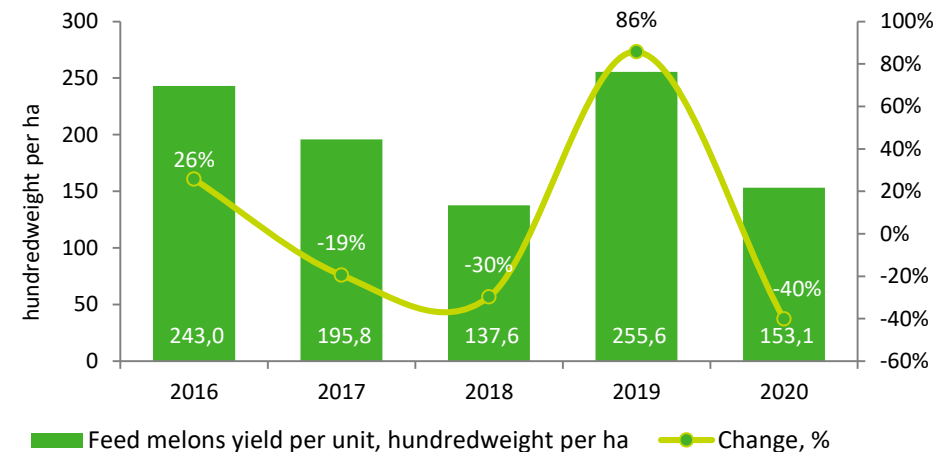
# Melons and gourds production in Kazakhstan



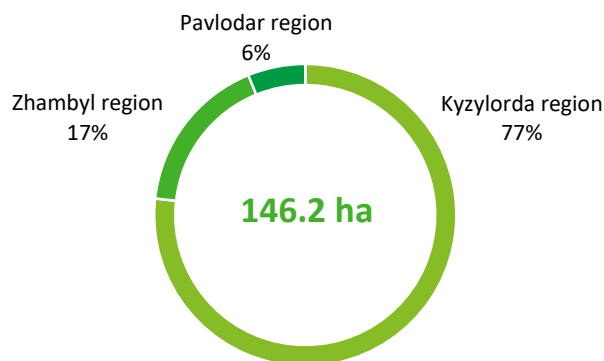
Gross fodder melons yield in Kazakhstan for 2016-2020, thousand tonnes



Feed melons yield per unit in Kazakhstan for 2016-2020, hundredweight per ha



Feed melons sowing area in Kazakhstan in 2020, ha



- Gross feed melons yield in Kazakhstan in 2020 was 2.2 thousand tonnes or 52% lower than in 2019. CAGR of feed melons yield for 2016-2020 was -21%.
- Feed melons yield per unit was unstable in 2016-2020 and amounted to 153.1 hundredweight per ha in 2020, which is a 40% decline year-on-year.
- The total feed melons sowing area for 2020 was 146.2 thousand hectares. The largest sowing areas are traditionally in the south of the country: Kyzylorda region – 77%, Zhambyl region – 17% and Pavlodar region – 6%.

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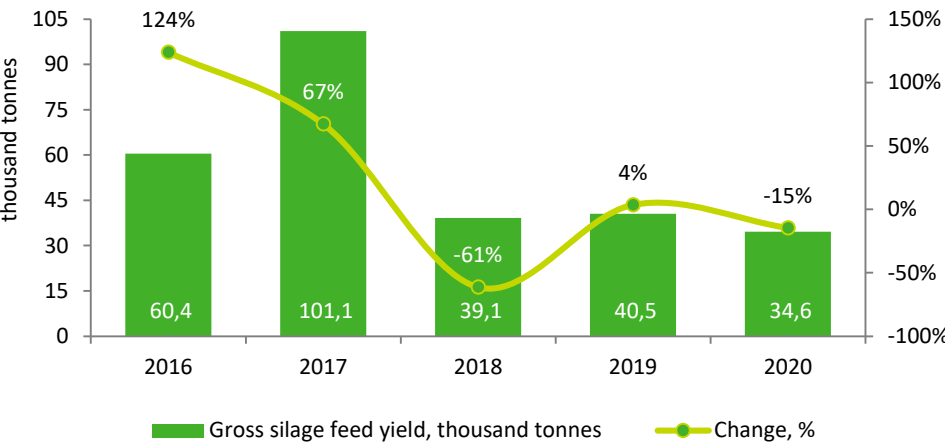
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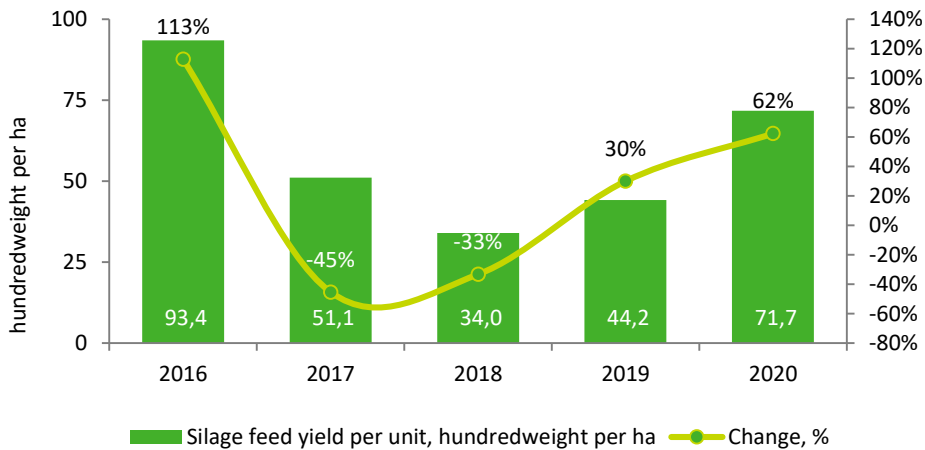
# Silage feed production in Kazakhstan



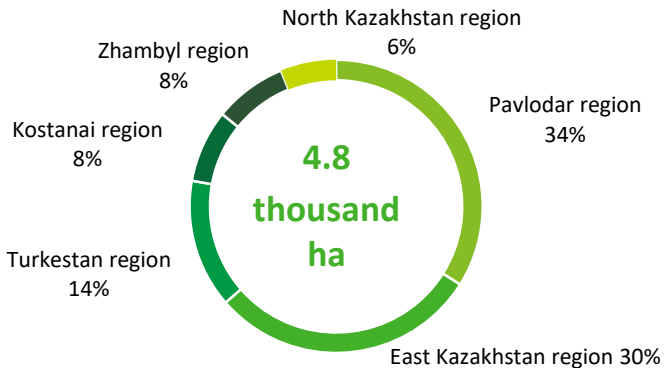
Gross silage feed yield in Kazakhstan for 2016-2020, thousand tonnes



Silage feed yield per unit in Kazakhstan for 2016-2020, hundredweight per ha



Silage feed sowing area in Kazakhstan in 2020, ha



- Gross silage feed yield in Kazakhstan in 2020 was 34.6 thousand tonnes or 15% lower than in 2019. CAGR of silage feed yield in 2016-2020 was -13%.
- The silage feed yield per unit in 2020 was 71.7 hundredweight per ha, which is a 62% increase year-on-year. In the last 5 years, the silage feed yield per unit averaged 59 hundredweight per ha.
- The total silage feed sowing area in 2020 was 4.8 thousand hectares. The largest sowing areas were concentrated in Pavlodar region – 34%, East Kazakhstan region – 30% and Turkestan region – 14%.

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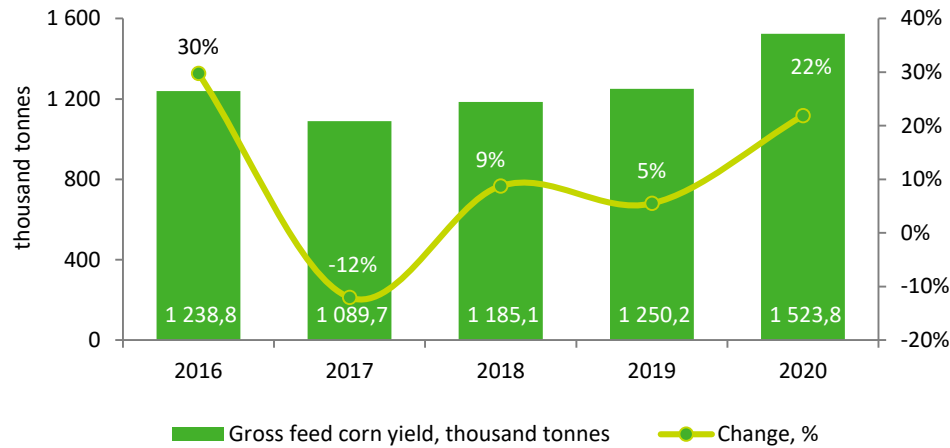




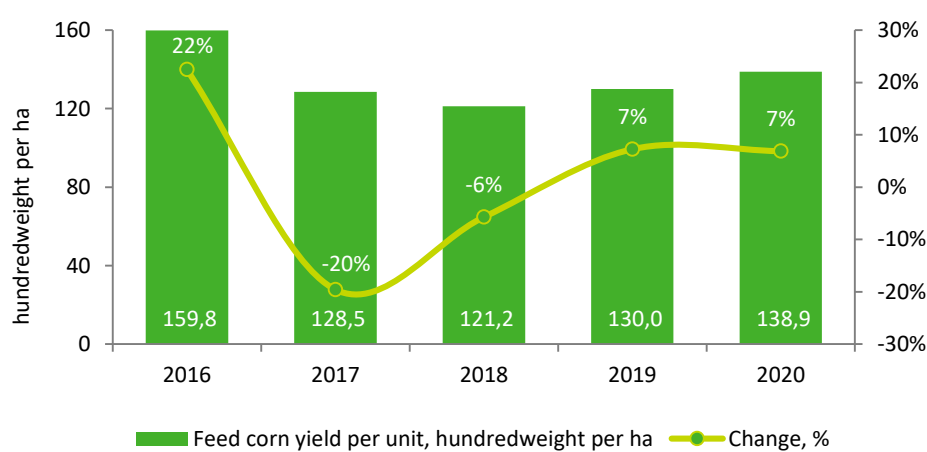
# Feed corn production in Kazakhstan



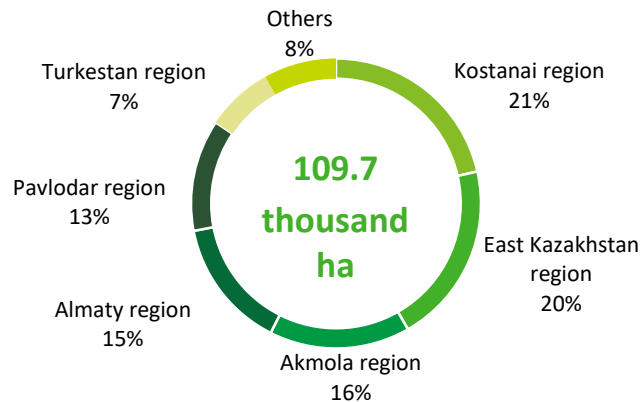
Gross feed corn yield in Kazakhstan for 2016-2020, thousand tonnes



Feed corn yield per unit in Kazakhstan for 2016-2020, hundredweight per ha



Feed corn sowing area in Kazakhstan in 2020, ha



- In 2020, gross feed corn yield in Kazakhstan was 1,523.8 thousand tonnes or 22% higher than in 2019. CAGR in feed corn yield for 2016-2020 was 5%.
- Feed corn yield per unit in 2020 was 138.9 hundredweight per ha, which is a 7% increase year-on-year. In the last 5 years, the feed corn yield per unit averaged 135.7 hundredweight per ha.
- The total feed corn sowing area for 2020 was 109.7 thousand hectares. The largest sowing areas are concentrated in Kostanai region – 21%, East Kazakhstan region – 20% and Akmola region – 16%.

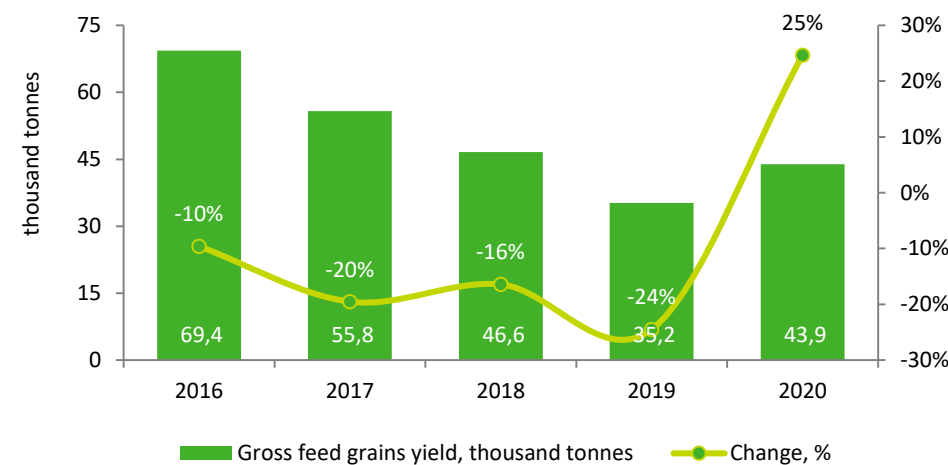
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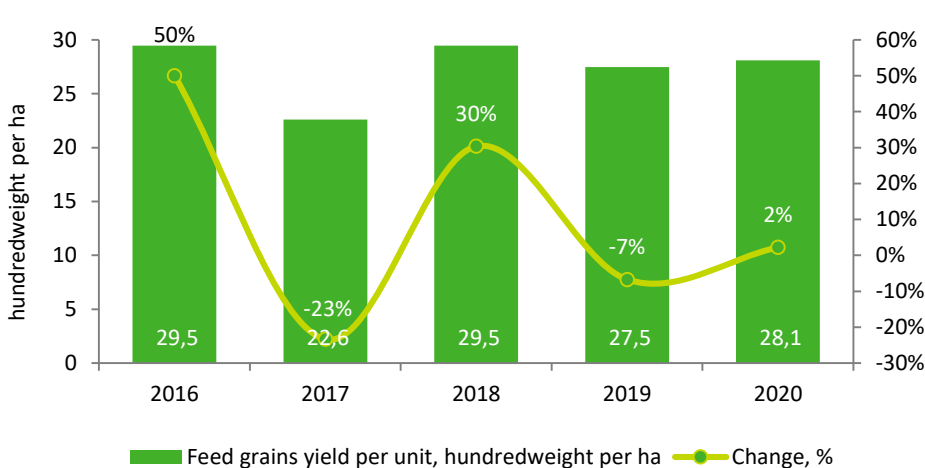
# Feed grains production in Kazakhstan



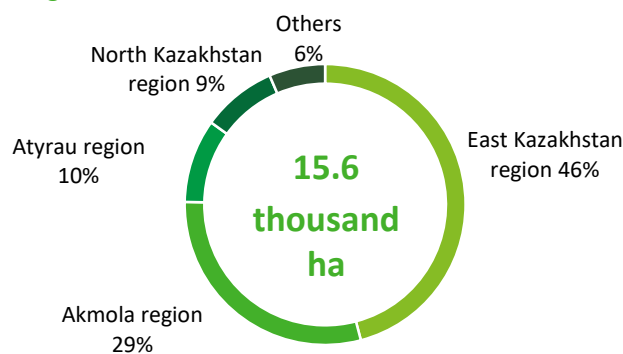
Gross feed grains yield in Kazakhstan for 2016-2020, thousand tonnes



Feed grains yield per unit in Kazakhstan for 2016-2020, hundredweight per ha



Feed grains sowing area in Kazakhstan in 2020, ha



- In 2020, gross feed grains yield in Kazakhstan was 43.9 thousand tonnes. CAGR in feed grains yield for 2016-2020 was -11%.
- Feed grains yield per unit in 2016-2020 was stable and amounted to 27.4 hundredweight per ha in 2020.
- The total feed grains sowing area in 2020 was 15,6 thousand hectares. The largest sowing areas are traditionally in the north, west and east of the country: East Kazakhstan region – 46%, Akmola region – 29% and Atyrau region – 10%. Sowing areas have declined by 66% compared to 2016.
- Kazakhstan is one of the top ten exporters of wheat in the world. Grains have remained unchanged export items since the country's independence and the only type of agricultural exports.

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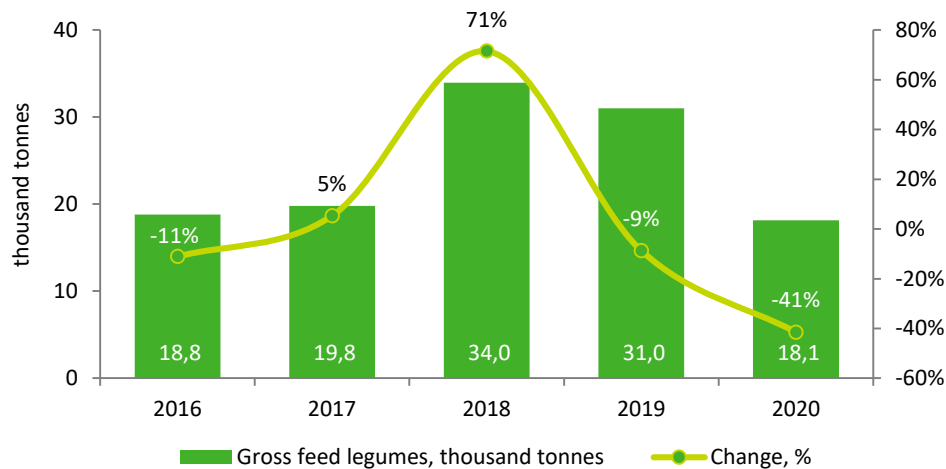
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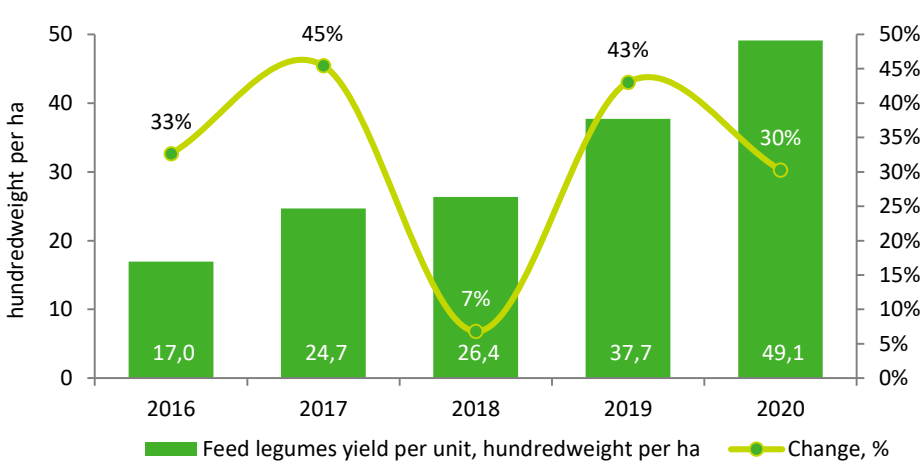
# Feed legumes production in Kazakhstan



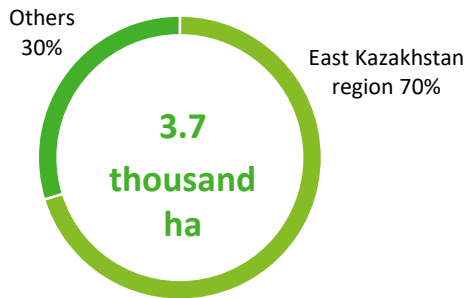
Gross feed legumes yield in Kazakhstan for 2016-2020, thousand tonnes



Feed legumes yield per unit in Kazakhstan for 2016-2020, hundredweight per ha



Feed legumes sowing area in Kazakhstan in 2020, ha



- Compound annual growth in feed legumes yield in 2016-2020 was -1%. In 2020, gross feed legumes yield fell 41% to 18.1 thousand tonnes compared to 2019 predominantly due to the decrease in feed legumes sowing areas following a cabbage fly outbreak, which has a negative impact on yield quality, and also farmer error.
- Total feed legumes sowing area in 2020 amounted to 3.7 thousand hectares. Feed legumes grows best in moderate climates, which is why the sowing areas are concentrated in the East Kazakhstan region – 70%. At the same time, feed legumes yield per unit in 2020 was 49.1 hundredweight per ha (30% growth year-on-year).

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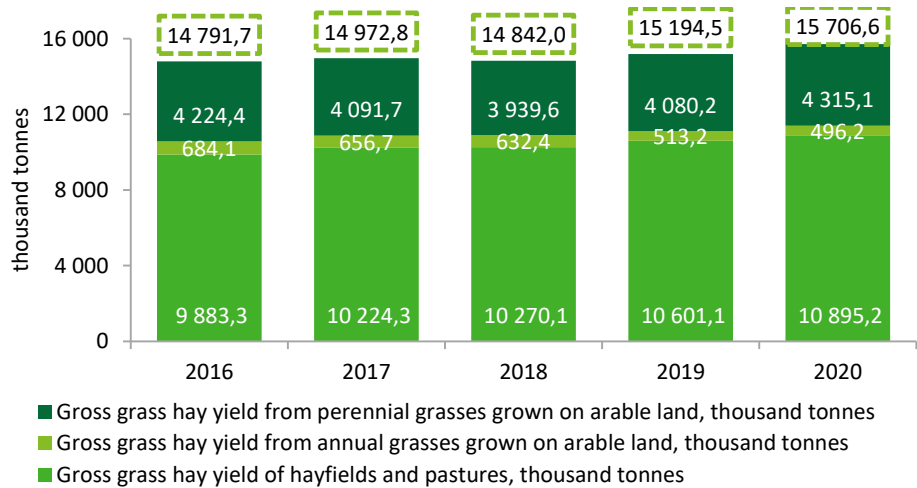




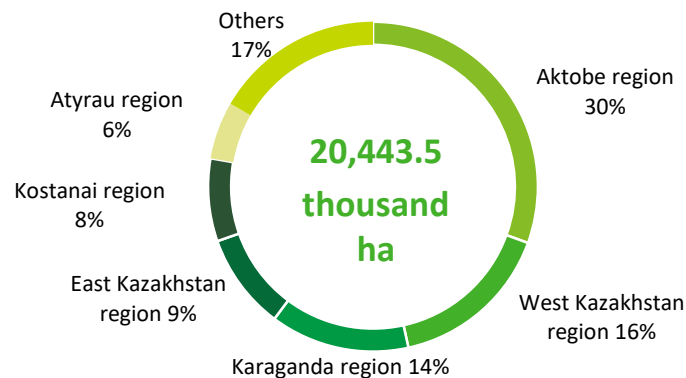
# Grass hay production in Kazakhstan



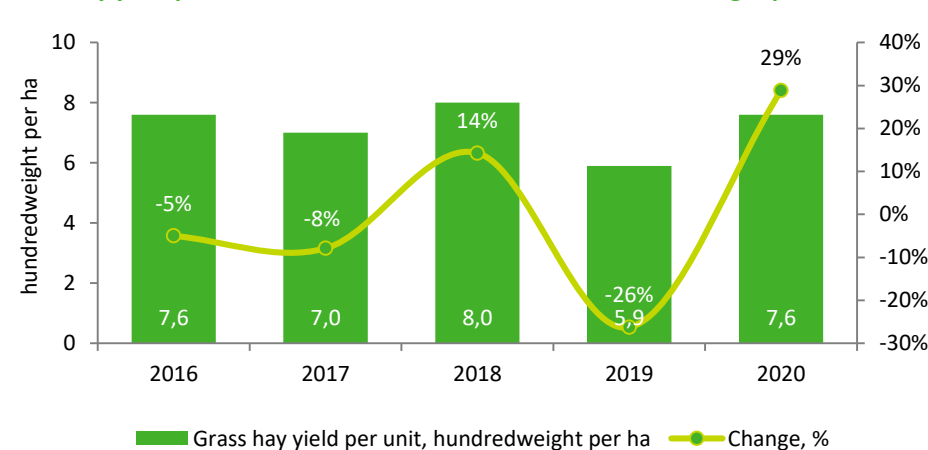
Gross grass hay yield in Kazakhstan for 2016-2020, thousand tonnes



Grass hay sowing area in Kazakhstan in 2020, ha



Grass hay yield per unit in Kazakhstan for 2016-2020, hundredweight per ha



- Gross grass hay has been growing gradually in the last five years. In 2020, gross grass hay yield in Kazakhstan was 15,706.6 thousand tonnes or 3% higher than in 2019. Compound annual growth in 2016-2020 was 3%. Grass hay yield per unit in 2016-2020 was unstable and amounted to 7.6 hundredweight per ha in 2020.
- The total grass hay sowing area in 2020 was 20,443.5 thousand hectares. The largest sowing areas are in Aktobe region – 30%, West Kazakhstan region – 16% and Karaganda region – 14%. Small farms account for 62% of sowing area in 2020, while households and agricultural enterprises accounted for 30% and 8%, respectively.

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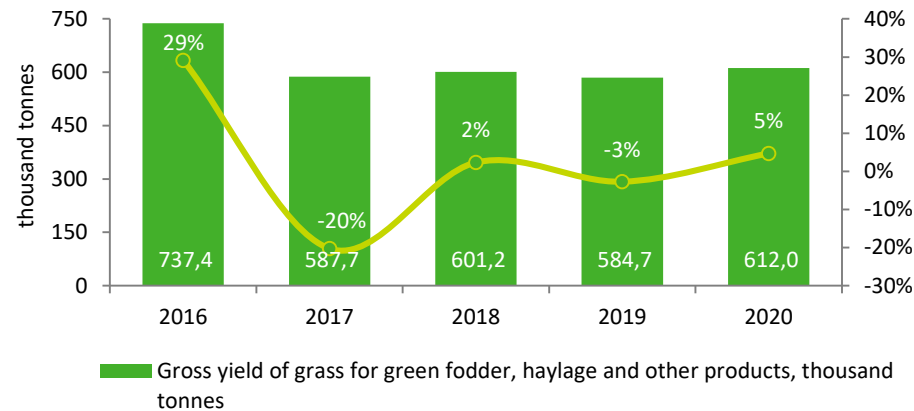
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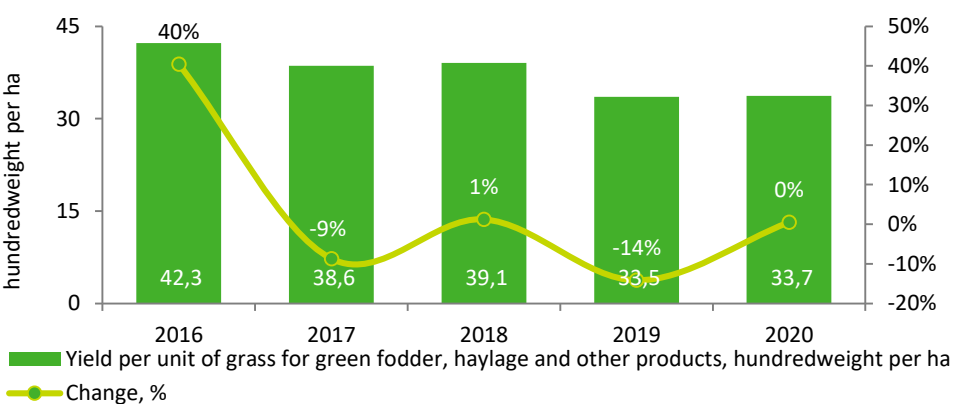
# Production of grass for green fodder, haylage and other products in Kazakhstan



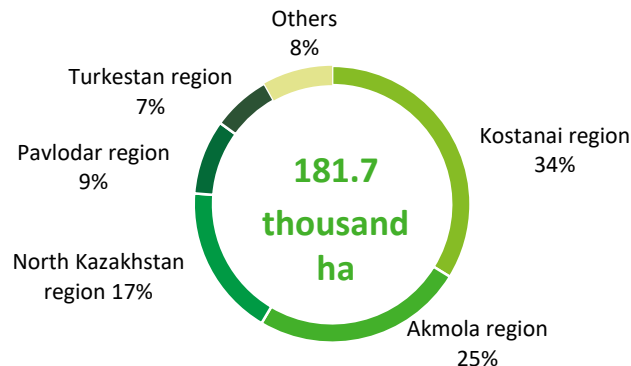
Gross yield of grass for green fodder, haylage and other products in 2016-2020, thousand tonnes



Yield per unit of grass for green fodder, haylage and other products in 2016-2020, hundredweight per ha



Sowing area of grass for green fodder, haylage and other products in Kazakhstan, ha



- In 2020, gross yield of grass for green fodder, haylage and other products in Kazakhstan was 612.0 thousand tonnes or 5% higher than in 2019. CAGR of yield of grass for green fodder, haylage and other products grains for 2016-2020 was -5%.
- Yield per unit of grass for green fodder, haylage and other products in 2020 was 33.7 hundredweight per ha.
- The total sowing area of grass for green fodder, haylage and other products in 2020 was 181.7 thousand hectares. The largest sowing areas are in Kostanai region – 34%, Akmola region – 25% and North Kazakhstan region – 17%. Agricultural enterprises account for 90.4% of sowing area in 2020, while small farms and households accounted for 9.3% and 0.3%, respectively.

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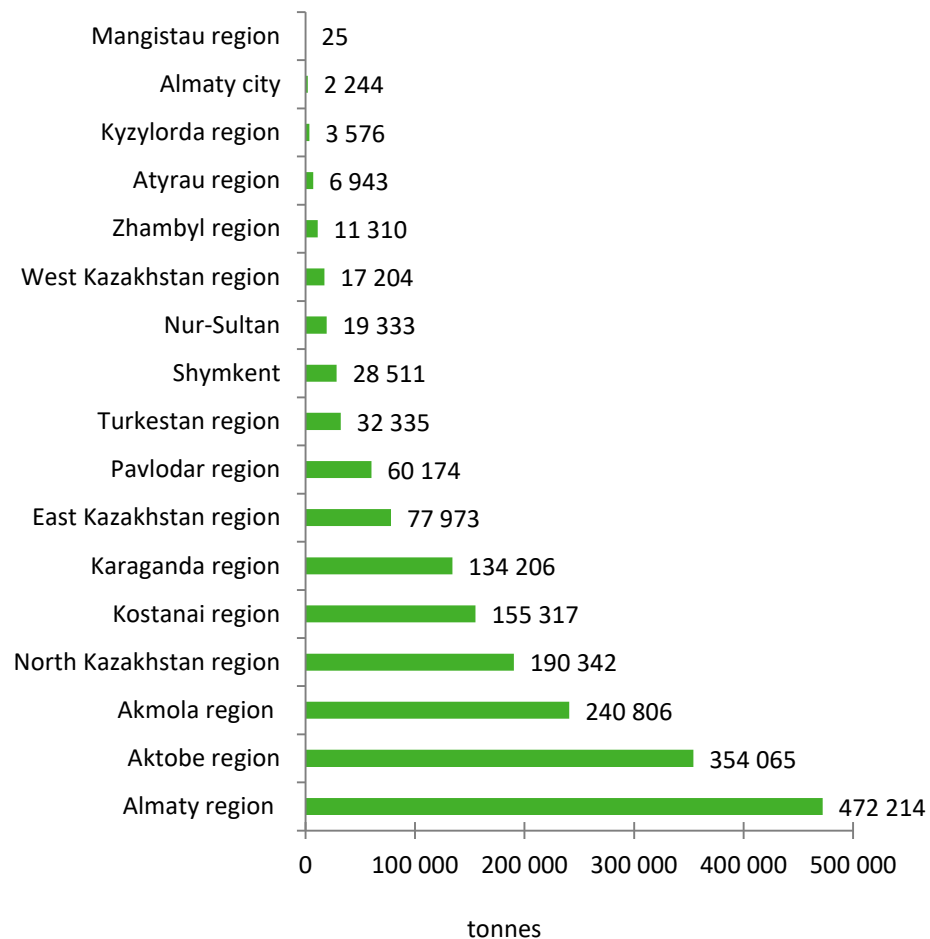
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# Production of ready-made animal feed



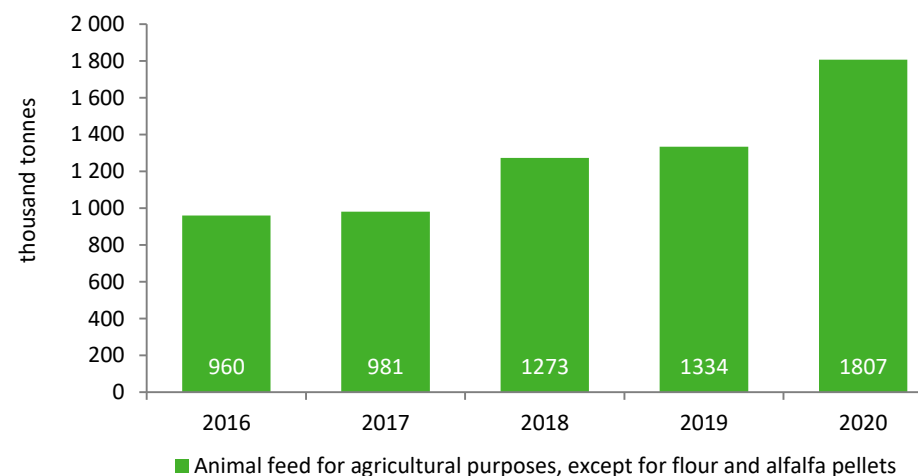
Production of ready-made animal feed by regions of Kazakhstan in 2020, tonnes



Source: Kazakhstan Statistics Committee

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Production of ready-made animal feed in Kazakhstan, 2016-2020, thousand tonnes



- In 2020, Kazakhstan produced 1,807 thousand tonnes of ready-made animal feed against 1,334 thousand tonnes in the previous year. The indicator increased by 35%. CAGR over the last 5 years was 17%.
- 70% of the production volume falls on 4 regions of the country: Almaty region (472 thousand tonnes or 26%), Aktope region (354 thousand tonnes or 20%), Akmola region (241 thousand tonnes or 13%) and North Kazakhstan region (190 thousand tonnes or 11%).
- It is planned to launch an extruded feed plant with the Swiss company Inoks Capital. The project, in which US\$ 18 million was invested, is being implemented on the territory of the Khorgos - Eastern Gate SEZ and is 97% complete. The plant's capacity will be 60 thousand tonnes of finished products per year.

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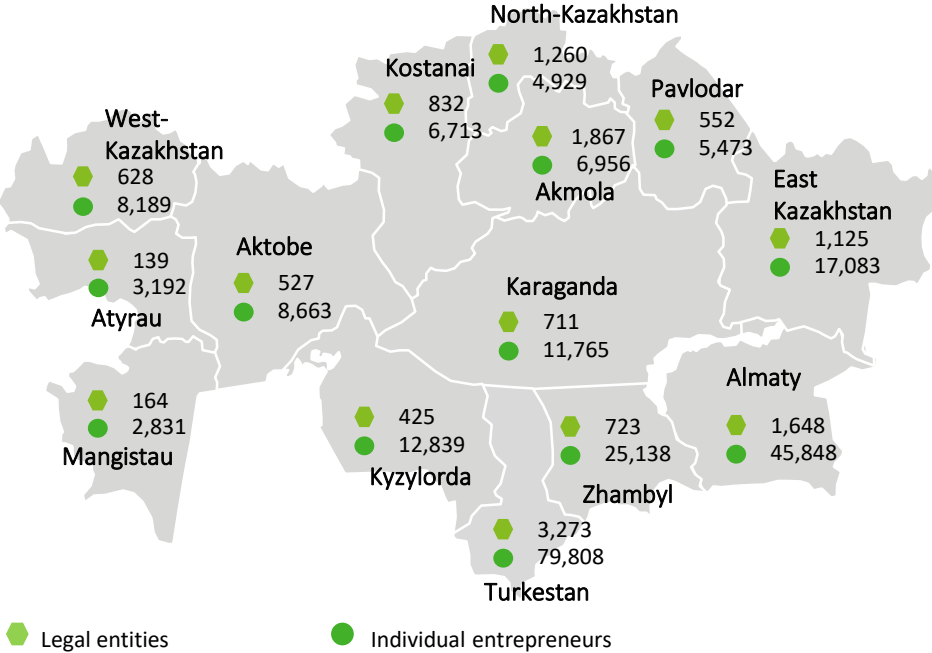




# Enterprises



Locations (regions) and numbers of operating enterprises in the agriculture, forestry and fishing industries, September 2021



By September 2021, a total of 15,482 Kazakhstan legal entities were operating in the agriculture, forestry and fishing industries, of which small businesses accounted for approximately 98%. The majority of legal entities are in Turkistan region (21%), Akmola region (12%) and Almaty region (11%). In addition, 243,833 individual entrepreneurs were registered as operating in the sector, of whom the majority were located in Turkistan region (33%), Almaty region (19%) and Zhambyl region (10%).

Source: Kazakhstan Statistics Committee  
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Number of legal entities in the agriculture, forestry and fishing industries, September 2021

	Total	of which			
		state-owned	business partnership	joint stock company	other organisational and legal forms
Agriculture, forestry and fishing industries	15,482	33	10,984	25	4,440
small	15,174	28	10,703	16	4,427
medium-sized	256	4	237	5	10
large	52	1	44	4	3

Number of individual entrepreneurs in the agriculture, forestry and fishing industries, September 2021

	Total	including those operating	
		individually	as joint entrepreneurs
Republic of Kazakhstan	1,095,188	1,023,917	71,271
Agriculture, forestry and fishing industries	243,833	172,645	71,188

The principles of a mixed economy aid the joint existence of agricultural formations with farming and individual farms. The current stage is noted by an increase in the role of small businesses and household farms in producing the main crops needed by the population. Large agricultural organisations are capable of producing output that requires advanced technical skills and a smooth operating mechanism with industrial enterprises — grain, sunflowers and sugar beet. Small businesses and household farms hold priority positions in potato production and the production of other fruit, berries and vegetables that are constantly in demand.

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# Local producers of compound feed and extruded feed



The largest number of forage crops is grown in Akmola and Almaty regions, which is mainly due to weather conditions - the highest amount of precipitation and fewer hot days. According to Taldau, in 2020 there were 75 enterprises for the production of all types of feed in Kazakhstan, of which producers of feed for agricultural animals accounted for about 96%, and the producers of pet feed - 4%.

Company	Location	Activities	Products
Viamin Kazakhstan LLP	Akmola region	Production of ready-made feed for farm animals	Concentrates, compound feed (the main components are vitamins, amino acids and minerals), protected proteins, licks, prestarter feed, feed for animals and fish
Progress Agro LLP	Akmola region, Stepnogorsk	Agricultural producer	Premixes and feed concentrates for all types of farm animals, poultry, fur animals and pond fish
Kazmeal LLP	North Kazakhstan region, Novoisihimsk	Production of ready-made feed for farm animals	Feed and compound feed, fodder wheat flour
Asia Agro Food JSC	Almaty region, Kaskelen	Production of ready-made feed for farm animals	Feed and compound feed
Ovoshegard LLP	Almaty region, Taldykorgan	Production of ready-made feed for farm animals	Feed and compound feed
Baiterekagrotrade LLP	Almaty region	Production of ready-made feed for farm animals	Components of compound feed and extruded feed: full fat soybeans, soybean meal, soybean oil
Agro Fit Kapshagay LLP	Almaty region, Kapshagay	Production of ready-made feed for farm animals	Compound feed for chickens, broilers, pigs and cattle, mixtures of ingredients from cereals, derivatives of cereals, legumes, vegetable raw materials, vegetable oil, mineral additives, biologically active substances, synthetic amino acids
Aser Ltd.COM LLP	Almaty region, Taldykorgan	Production of ready-made feed for farm animals	Feed and compound feed
Aqua Alliance LLP	Almaty	Production of ready-made feed for farm animals	Compound feed for fish
Uyz Mai Industry LLP	East Kazakhstan region, Ust-Kamenogorsk	Production of ready-made feed for farm animals	Feed ingredients: full fat soy, soybean meal, soybean oil
Zhem.Bio+ LLP	Shymkent	Production of ready-made feed for farm animals	Feed and compound feed
Altynastyk LLP	Pavlodar region, Pavlodar	Agricultural producer	Compound feed: sunflower meal
Rubikom LLP	Pavlodar region, Pavlodar	Agricultural producer	Compound feed for all types of animals, birds and fish

Source: KazData, Taldau

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Sector teaser for the production of feed (succulent and coarse), compound feed and extruded feed in Kazakhstan

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# Local producers of succulent feed



## Succulent feed producers

Company	Location	Activities	Products
Alakol Agro LLP	Almaty region, Alakol	Production of ready-made feed for farm animals	Corn
Uigentas Farm	Almaty region, Alakol	Production of ready-made feed for farm animals	Barley
Atyrau-Sauda LLP	Atyrau region, Kulsary	Agricultural producer	Grain
Balgabekov Farm	Almaty region, Panfilov	Agricultural producer	Corn
Saidahmetov Farm	Almaty region, Panfilov	Production of ready-made feed for farm animals	Corn
Granit-petrovka LLP	Akmola region, Astrakhan	Agricultural producer	By-products of wheat and barley
Fedorenko & K Farm	Akmola region, Astrakhan	Production of ready-made feed for farm animals	By-products of wheat and barley
Stepnyak LLP	Akmola region, Astrakhan	Agricultural producer	By-products of wheat and barley
Aktobe Grain Processing Plant	Aktobe region, Hromtau	Production of ready-made feed for farm animals	Grain by-products and bran
Ukrainka Farm	East Kazakhstan region, Ulan	Production of ready-made feed for farm animals	Barley
Egin LLP	North Kazakhstan region, Yessil	Agricultural producer	Granular bran
Tabys-Agro LLP	North Kazakhstan region, Yessil	Agricultural producer	Bran
Ilyinskoye LLP	North Kazakhstan region, Yessil	Agricultural producer	Bran
Zagradovskoye LLP	North Kazakhstan region, Yessil	Production of ready-made feed for farm animals	Bran
Luch Farm	North Kazakhstan region, Akkayin	Production of ready-made feed for farm animals	Crushed barley

Source: KazData

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# Local producers of coarse feed



## Coarse feed producers

Company	Location	Activities	Products
Danilovskoye & K LLP	Akmola region	Agricultural producer	Silage production
Olzha Sadchikovskoe LLP	Kostanai region, Kostanai	Agricultural producer	Types of animal feed: haylage, silage and compound feed
Akzhol Farm	Aktobe region, Baiganin	Production of ready-made feed for farm animals	Hay
Altyn-Assel LLP	Aktobe region, Yrgyz	Production of ready-made feed for farm animals	Hay
Baimenei LLP	Almaty region, Balkhash	Agricultural producer	Hay
Kiz MTS LLP	Almaty region, Balkhash	Production of ready-made feed for farm animals	Hay
Tumar LLP	Almaty region, Balkhash	Production of ready-made feed for farm animals	Hay
Karatal JSC	Almaty region, Karatal	Production of ready-made feed for farm animals	Alfalfa seed
Shygys-Karatal LLP	Almaty region, Karatal	Agricultural producer	Alfalfa seed
Baiserke Agro LLP	Almaty region, Talgar	Agricultural producer	Wheatgrass hay
Bekbolat Farm	Atyrau region, Zhylyoi	Production of ready-made feed for farm animals	Hay
Akberdy Farm	Atyrau region, Zhylyoi	Production of ready-made feed for farm animals	Hay
Vorobiev & K Farm	East Kazakhstan region, Shemonaiha	Production of ready-made feed for farm animals	Hay and silage
Belokamenskoe LLP	East Kazakhstan region, Shemonaiha	Production of ready-made feed for farm animals	Hay and silage
Sugatovskoe LLP	East Kazakhstan region, Shemonaiha	Production of ready-made feed for farm animals	Hay and silage
Vydrikhinskoe LLP	East Kazakhstan region, Shemonaiha	Production of ready-made feed for farm animals	Hay

Source: KazData

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# List of accredited exporters in China



Below is a list of some of the CCIC-certified feed crop suppliers to the Chinese market. In total, 138 feed companies are accredited: 4 companies - producers of feed wheat flour, 54 companies - producers of fodder corn, 24 companies - producers of feed alfalfa, 56 companies - producers of wheat feed bran.

Company	Location	Activities	Products
Kazmeal LLP	North Kazakhstan region, Novoishimsk	Production of ready-made feed for farm animals	Fodder wheat flour
FPD LLP	North Kazakhstan region, Petropavlovsk	Production of ready-made feed for farm animals	Fodder wheat flour
Good Look Trade House LLP	Zhambyl region, Taraz	Production of ready-made feed for farm animals	Fodder wheat flour
TNK Agrofirma LLP	Akmola region, Zhaksy	Wholesale of grain, seeds and animal feed	Fodder wheat flour
Grain Agro Trade LLP	East Kazakhstan region, Ust-Kamenogorsk	Wholesale of grain, seeds and animal feed	Fodder corn
Long Xin LLP	East Kazakhstan region, Beskaragay	Wholesale of grain, seeds and animal feed	Fodder corn
Qazaq Land Agro LLP	Almaty region, Otegen Batyr	Wholesale of grain, seeds and animal feed	Fodder corn
KazAgro-Pro LLP	Pavlodar region, Pavlodar	Wholesale of grain, seeds and animal feed	Fodder corn
Agro-Tengri LLP	North Kazakhstan region, Sergeyevka	Wholesale of grain, seeds and animal feed	Alfalfa seed
Kazcrop LLP	North Kazakhstan region, Petropavlovsk	Wholesale of grain, seeds and animal feed	Alfalfa seed
Real Trades LLP	Pavlodar region, Pavlodar	Wholesale of grain, seeds and animal feed	Alfalfa seed
Agroholding Aksu LLP	Almaty region, Altynaryk	Wholesale of grain, seeds and animal feed	Alfalfa seed
Kaztorgtrans LLP	Kostanai region, Kostanai	Wholesale of grain, seeds and animal feed	Wheat bran
Kostanai Milling Company LLP	Kostanai region, Kostanai	Flour production	Wheat bran
TOEgin LLP	North Kazakhstan region, Yavlenka	Growing of grains and leguminous crops, including seed production	Wheat bran
MK Eurasia-Agro LLP	Pavlodar region, Pavlodar	Flour production	Wheat bran

Source: <http://ccicalmaty.kz/>

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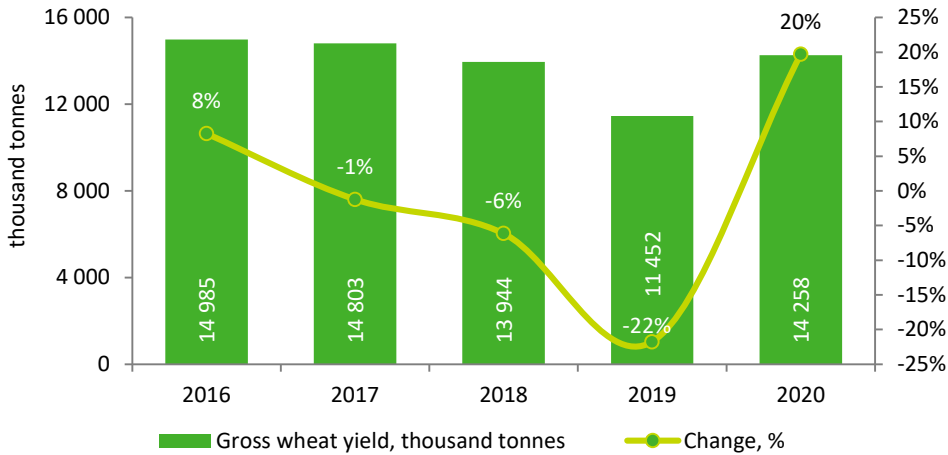


# Availability of raw materials for compound feed production - wheat

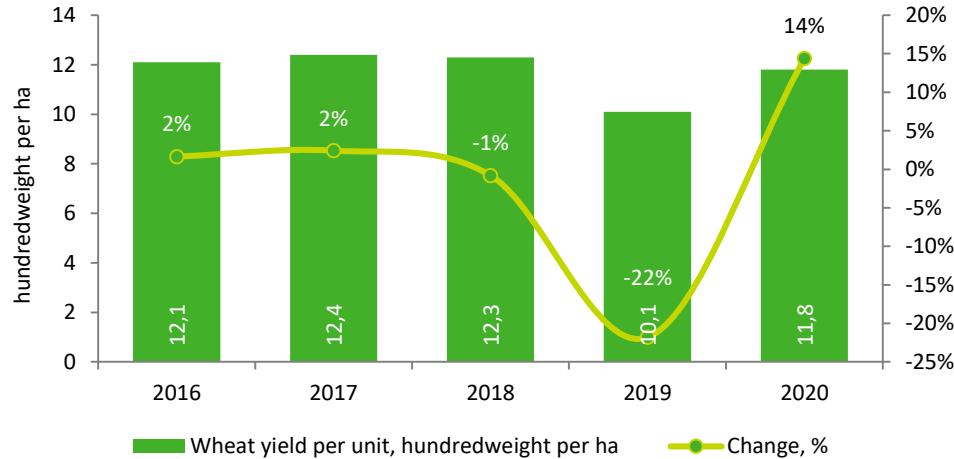


The compound feed usually includes: cereals, which are the main source of carbohydrates (corn, wheat, barley, oats) - up to 60%; legumes with an increased proportion of protein (soybeans, peas) - up to 40%; cake, meal (soybeans, sunflower) - up to 15-25%; amino acids; mineral mixtures; vitamin supplements and enzymes.

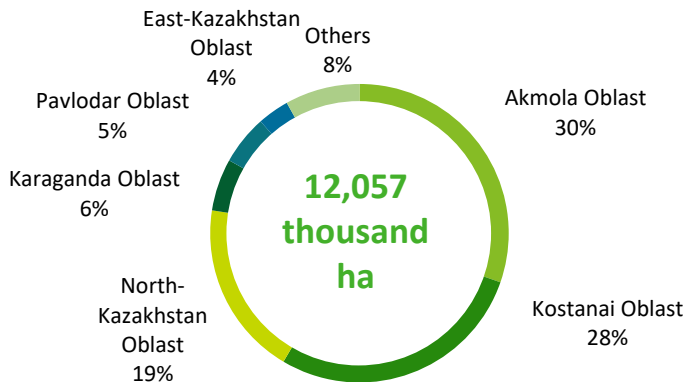
Gross wheat yield in Kazakhstan for 2016-2020, thousand tonnes



Wheat yield per unit in Kazakhstan for 2016-2020, hundredweight per ha



Sowing area in Kazakhstan in 2020, ha



- The gross wheat yield in Kazakhstan in 2020 was 14,258 thousand tonnes. Average annual wheat yield growth in 2016-2020 was -1.2%. Wheat yield per unit in 2016-2020 was stable at 11.7 hundredweight per ha.
- The total wheat sowing area in 2020 was 12,057 thousand hectares. The largest sowing areas are traditionally in the north of the country, such as Akmola Oblast – 30%, Kostanai Oblast – 28% and North-Kazakhstan Oblast – 19%. Wheat sowing areas have declined by 2.6% compared to 2016.
- A total of 186 countries are involved in organic agriculture. Export-focused organic production in Kazakhstan is in the early stages, with only approximately 60 certified producers, accounting for 192 thousand hectares of land used for organic production, which is significantly less than in 2016 (303 thousand hectares).

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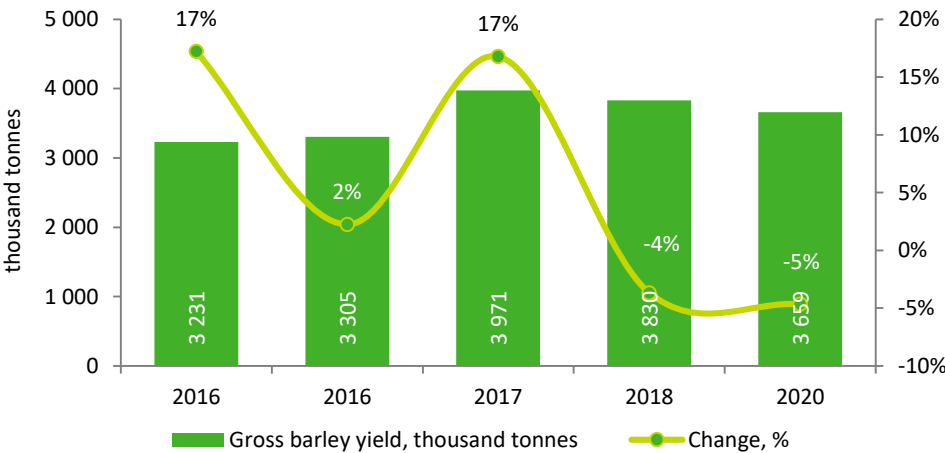
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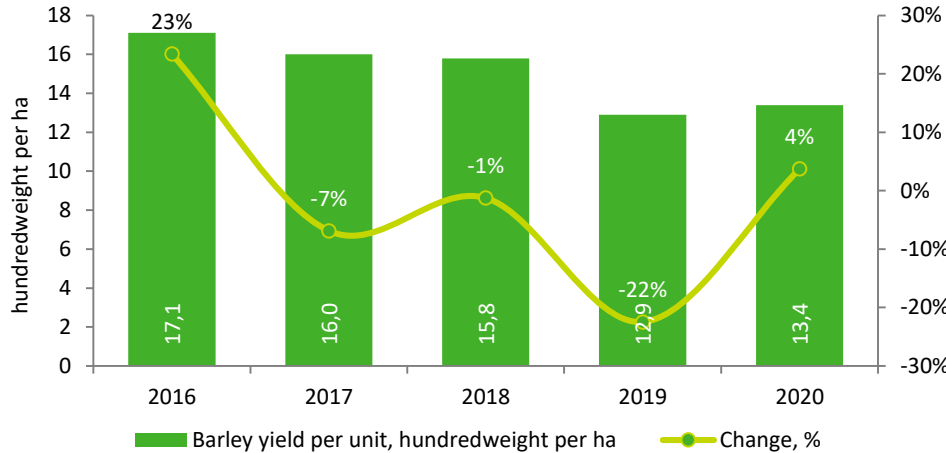
# Availability of raw materials for compound feed production - barley



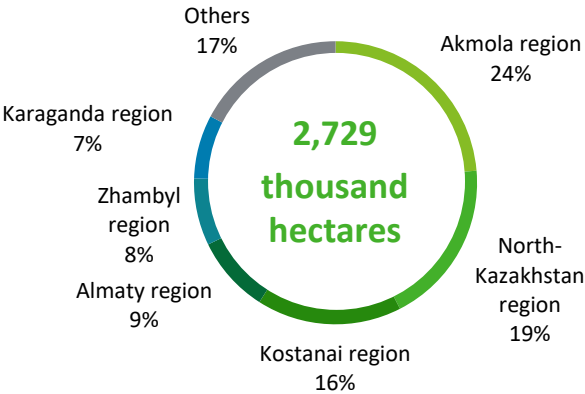
Gross barley yield in Kazakhstan in 2016-2020, thousand tonnes



Barley yield per unit in Kazakhstan in 2016-2020, hundredweight per ha



Barley sowing area in Kazakhstan in 2020, ha



- The gross barley yield in Kazakhstan in 2020 fell 5% to 3,659 thousand tonnes. CAGR in the barley yield in 2016-2020 was 3.2%.
- The barley yield in 2016-2020 was unstable and averaged 13.4 hundredweight per ha.
- The total barley sowing area in 2020 was 2,729 thousand hectares. The largest sowing area has traditionally been in the north of the country: Akmola region – 24%, North-Kazakhstan region - 19% and Kostanai region – 16%.
- Kazakhstan wheat yield has been forecast to decline by 2050 due to reduced access to water during the vegetation period and a 12-16% increase in thermal resources, which exceeds the optimum value for growing and developing wheat.

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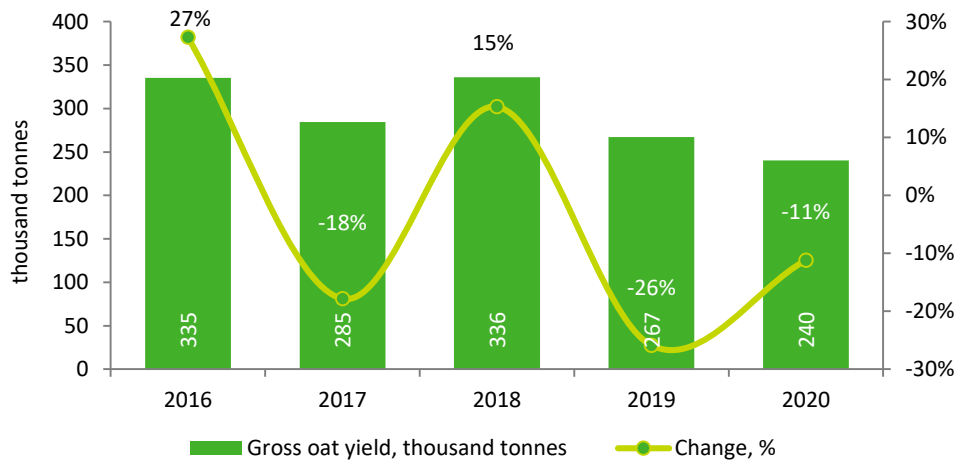
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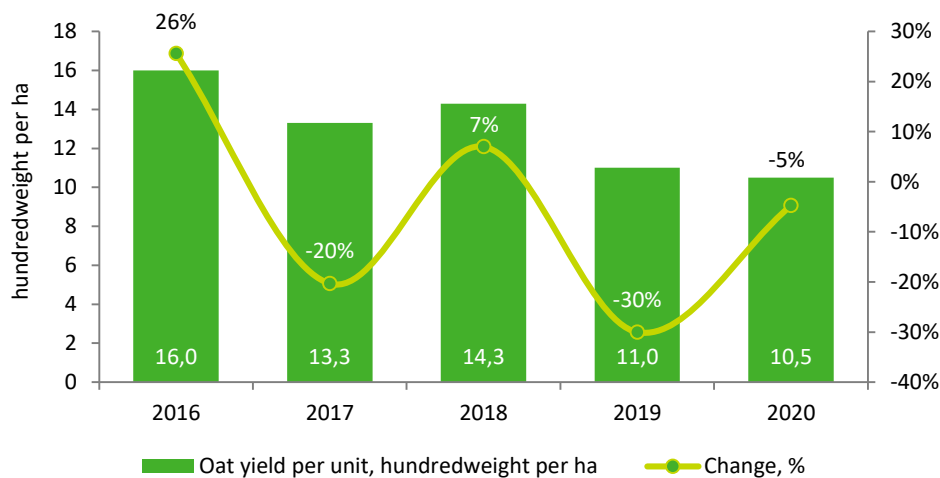
# Availability of raw materials for compound feed production - oat



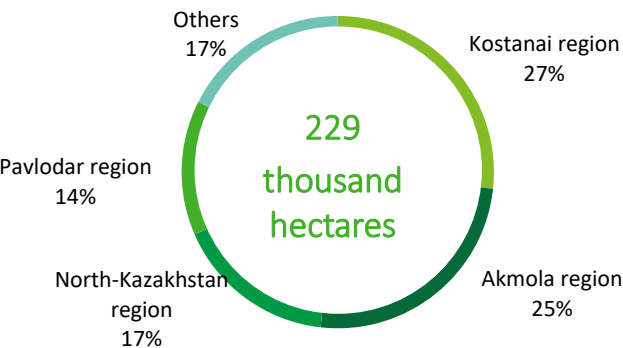
Gross oat yield in Kazakhstan for 2016-2020, thousand tonnes



Oat yield per unit in Kazakhstan for 2016-2020, hundredweight per ha



Oat sowing area in Kazakhstan in 2020, ha



- In 2020, gross oat yield in Kazakhstan was 240 thousand tonnes or 11% lower than in 2019. CAGR in oat yield for 2016-2020 was -8%.
- Oat yield per unit in 2020 was 10.5 hundredweight per ha, which is a 5% decline year-on-year. In the last 5 years, the oat yield per unit averaged 13 hundredweight per ha.
- The total oat sowing area for 2020 was 229 thousand hectares. The largest sowing area is in the north of the country due to its natural and climatic conditions: Kostanai region – 27%, Akmola region – 25% and North-Kazakhstan region – 17%.

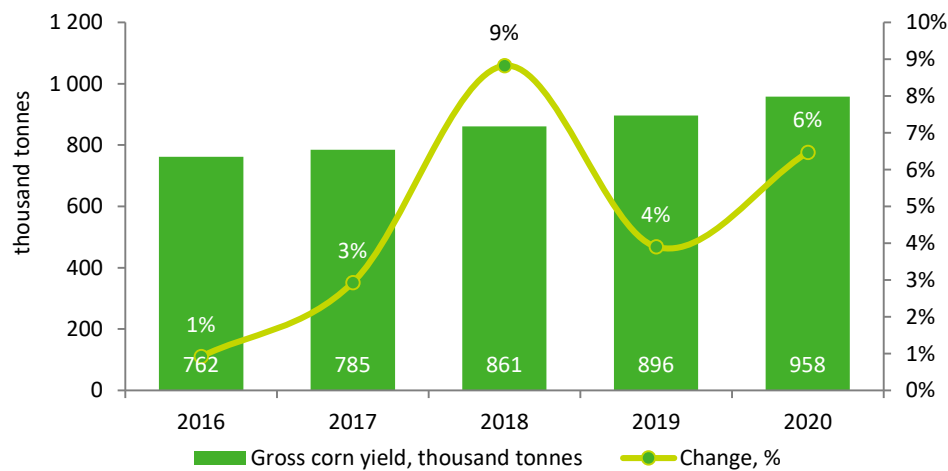
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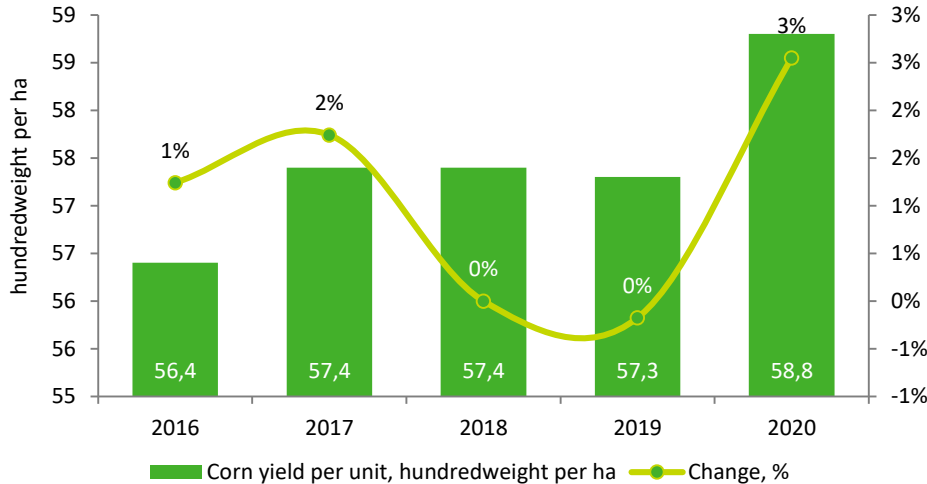
# Availability of raw materials for compound feed production - corn



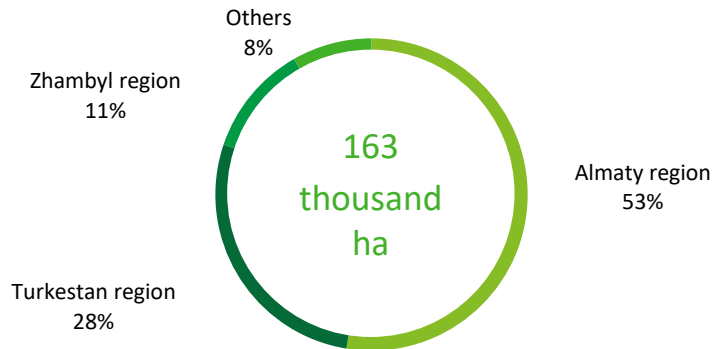
Gross corn yield in Kazakhstan for 2016-2020, thousand tonnes



Corn yield per unit in Kazakhstan for 2016-2020, hundredweight per ha



Corn sowing area in Kazakhstan in 2020, ha



- In 2020, gross corn yield in Kazakhstan was 958.1 thousand tonnes or 6% higher than in 2019. CAGR in corn yield for 2016-2020 was 12.1%.
- Corn yield per unit in 2020 was 58.8 hundredweight per ha, which is a 3% increase year-on-year. In the last 5 years, the corn yield per unit averaged 57.5 hundredweight per ha.
- The total corn sowing area for 2020 was 163 thousand hectares. The largest sowing area is in the south of the country due to its natural and climatic conditions: Almaty region – 53%, Turkestan region – 28% and Zhambyl region – 11%.

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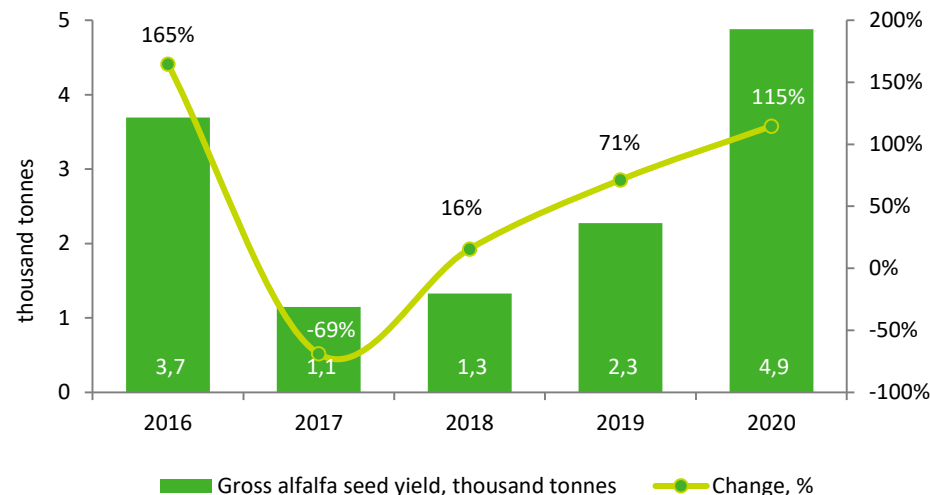




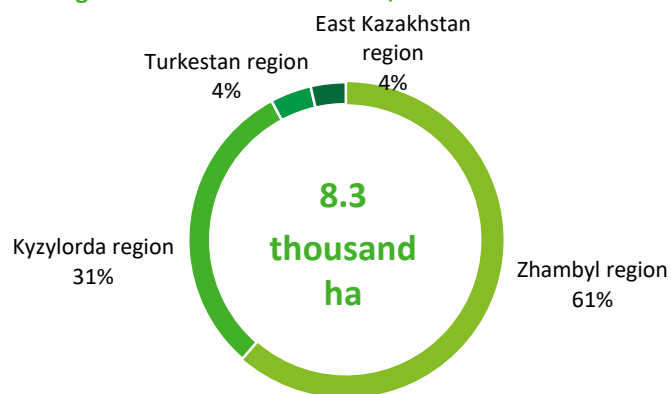
# Availability of raw materials for feed production – alfalfa seeds



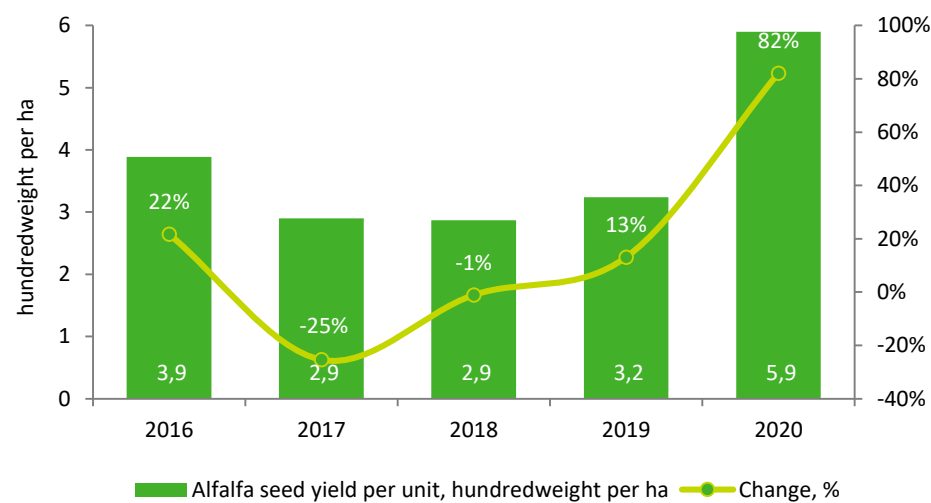
Gross alfalfa seed yield in Kazakhstan for 2016-2020, thousand tonnes



Alfalfa seed sowing area in Kazakhstan in 2020, ha



Alfalfa seed yield per unit in Kazakhstan for 2016-2020, hundredweight per ha



- In 2020, gross alfalfa seed yield in Kazakhstan was 4.9 thousand tonnes or 115% higher than in 2019. CAGR in alfalfa seed yield for 2016-2020 was 7.2%.
- Alfalfa seed yield per unit in 2020 was 5.9 hundredweight per ha, which is an 82% increase year-on-year. In the last 5 years, the alfalfa seed yield per unit averaged 3.8 hundredweight per ha.
- The total alfalfa seed sowing area for 2020 was 8.3 thousand hectares. The largest sowing area is in the south of the country due to its natural and climatic conditions: Zhambyl region – 61%, Kyzylorda region – 31% and Turkestan region – 4%.

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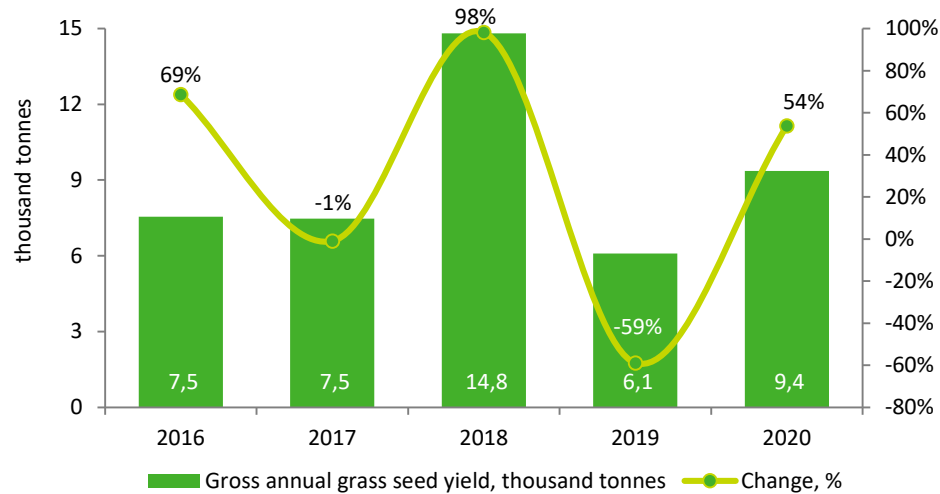
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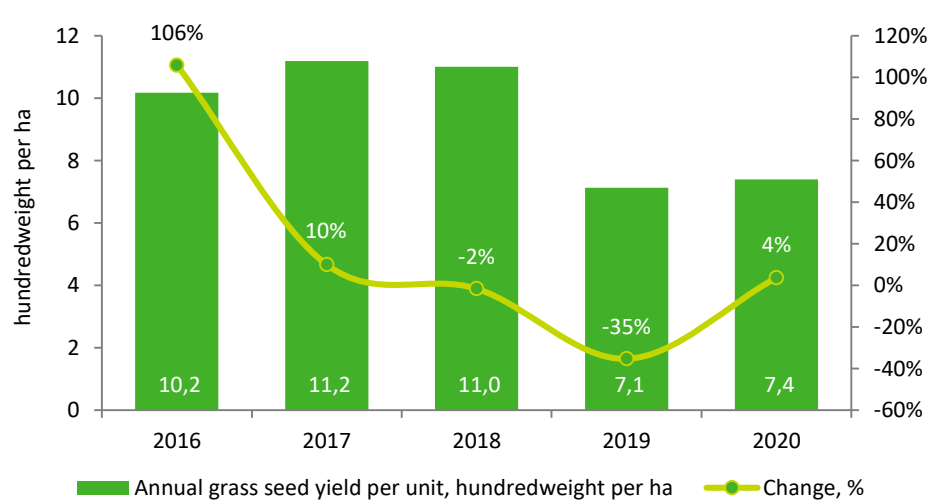
# Availability of raw materials for feed production – annual grass seed



Gross annual grass seed yield in Kazakhstan for 2016-2020, thousand tonnes



Annual grass seed yield per unit in Kazakhstan for 2016-2020, hundredweight per ha



Annual grass seed sowing area in Kazakhstan in 2020, ha



- In 2020, gross annual grass seed yield in Kazakhstan was 9.4 thousand tonnes or 54% higher than in 2019. CAGR in annual grass seed yield for 2016-2020 was 5.5%.
- Annual grass seed yield per unit in 2016-2020 was unstable and averaged 9.4 hundredweight per ha.
- The total annual grass seed sowing area for 2020 was 12.7 thousand hectares. The largest sowing area is in the north of the country: Kostanai region – 40%, Akmola region – 34% and North-Kazakhstan region – 21%.

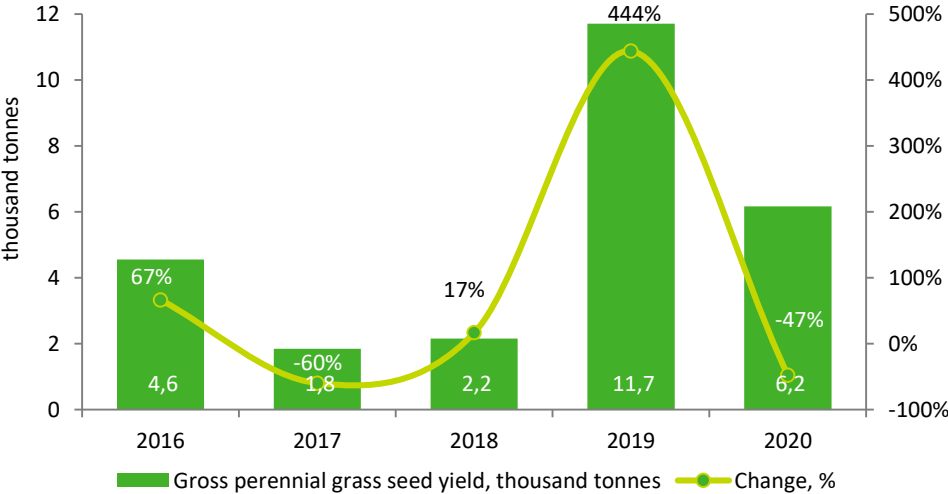
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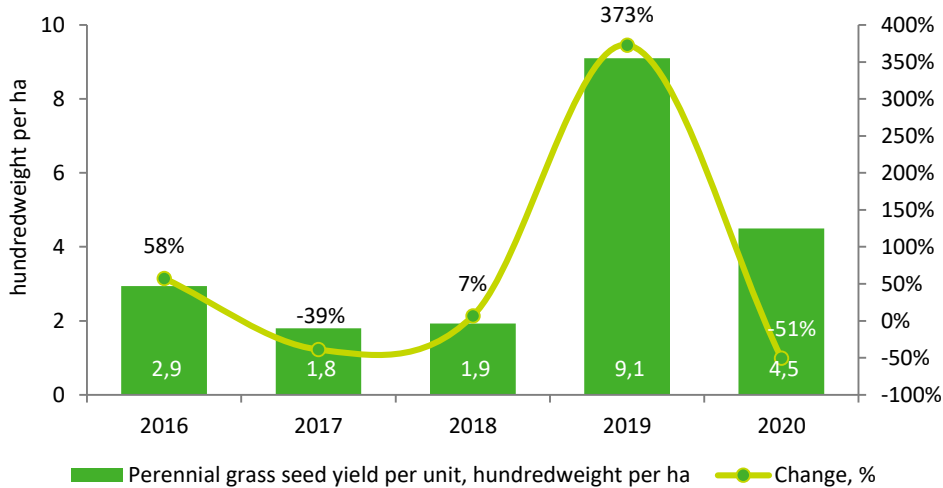
# Availability of raw materials for feed production – perennial grass seed



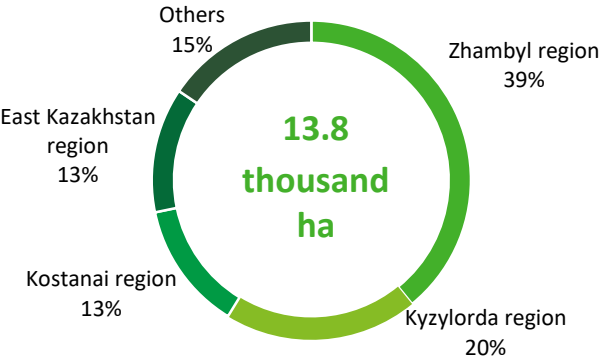
Gross perennial grass seed yield in Kazakhstan for 2016-2020, thousand tonnes



Perennial grass seed yield per unit in Kazakhstan for 2016-2020, hundredweight per ha



Perennial grass seed sowing area in Kazakhstan in 2020, ha



- In 2020, gross perennial grass seed yield in Kazakhstan was 6.2 thousand tonnes or 47% lower than in 2019. CAGR in perennial grass seed yield for 2016-2020 was 7.9%.
- Perennial grass seed yield per unit in 2020 was 4.5 hundredweight per ha, which is a 51% decrease year-on-year. In the last 5 years, the perennial grass seed yield per unit averaged 4.1 hundredweight per ha.
- The total perennial grass seed sowing area for 2020 was 13.8 thousand hectares. The largest sowing areas are concentrated in Zhambyk region – 39%, Kyzylorda region – 20% and Kostanai region – 13%.

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# Human resources (1/2)



## Kazakhstan work force

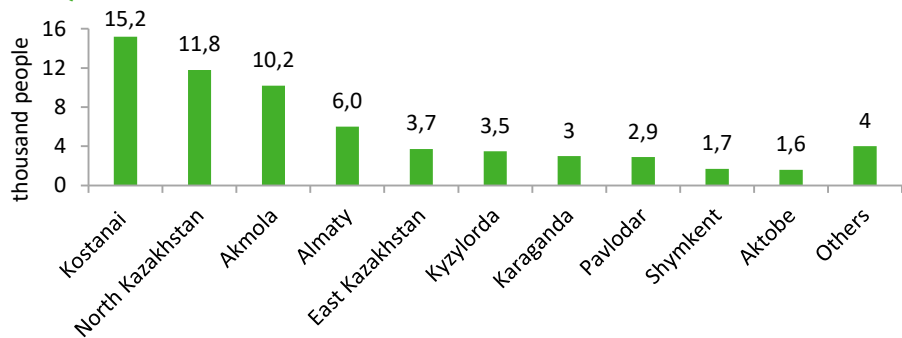


9.3 million people in QII 2021

9.7 million people in 2024

The Kazakhstan work force is made up of 9.3 million people, of whom 95% (8.8 million) are employed and 5% (0.5 million) are unemployed.

## People working in plant and animal breeding, hunting and related services by region for 2021 Q2

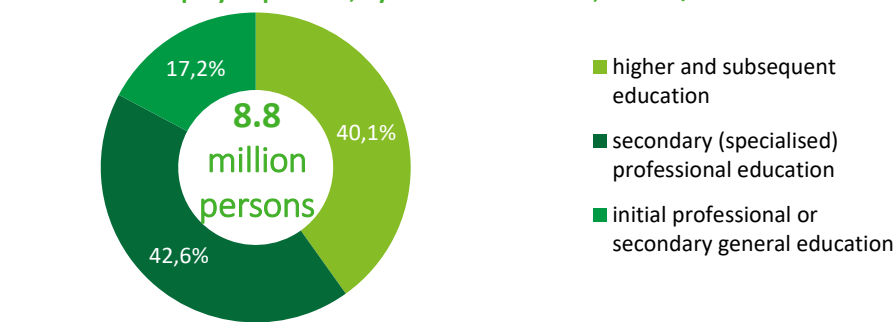


By region, the greatest number of people working in **plant and animal breeding, hunting and related services** are in Kostanai region – 24%, North-Kazakhstan region – 19% and Akmola region – 16% of total employees in the sector for the country

Source: Kazakhstan Statistics Committee

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## Allocation of employed persons, by level of education, 2021 QII



In this respect, the working population (8.8 million persons) includes 3.5 million persons with higher and subsequent education; 3.7 million persons with secondary (specialised) professional education; and 1.5 million persons with initial professional or secondary general education.

## Headcount by economic activity, thousand persons

Index	QII 2020	QII 2021
Construction	151	130
Agriculture, forestry and fishing industries	67	67
Wholesale and retail trade	195	202
Education	999	1 011
Transportation and storage	223	214
State management and defence	397	395
Professional, academic and technical activities	78	75

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Number of people working in plant and animal breeding, hunting and related services in 2021 QII

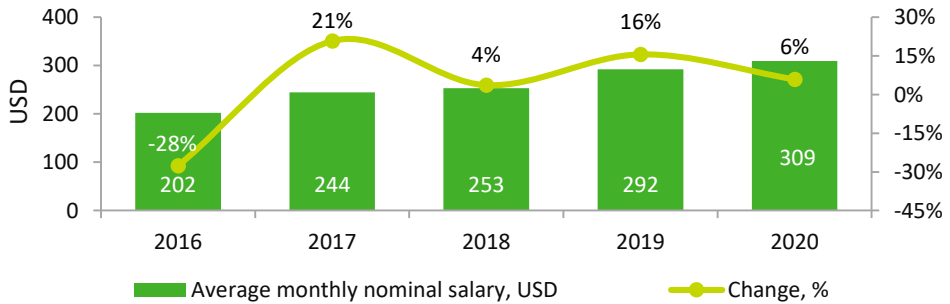


63  
thousand persons

96%  
share of persons working in the agriculture  
and forestry industries, fishing

People working in plant and animal breeding, hunting and related services make up 3.1% of total agricultural workers as at 2021 QII.

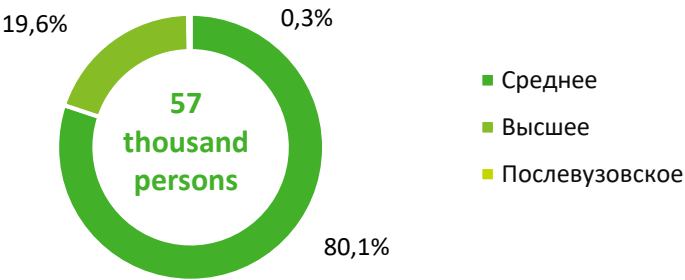
Average monthly nominal salaries of employees in plant and animal breeding, and hunting and related services for the country as a whole



Average annual growth in nominal salaries was approximately 23.7%.

Source: Kazakhstan Statistics Committee  
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Allocation of people working in plant and animal breeding, by level, as at 2021 QI



The working population in plant and animal breeding (57 thousand) includes 46 thousand with secondary education; 11 thousand with a higher education; and 166 with a post-graduate education.

Agriculture and forestry industry, fishing worker headcount, by position

	QII 2017	QII 2018	QII 2019	QII 2020	QII 2021
Agriculture, forestry and fishing industries	64,5	63,2	66,4	67,1	67,3
Plant and animal breeding, hunting and related services	62,3	60,9	63,7	63,8	63,6
Forestry and lumbering	1,7	1,9	2,3	2,9	3,2
Fishing and aquaculture	0,5	0,4	0,5	0,4	0,4

Average annual growth in the number of people employed in the agriculture, forestry and fishing industries between 2017 Q2 and 2021 Q2 was 1.98%. In this respect, plant and animal breeding employees accounted for 96% of the total.

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# Potential for consumption growth in Kazakhstan



## Economic growth rate in Kazakhstan

Index	2020	2021 F	2022 F	2023 F	2024 F	2025 F
GDP	-2,6%	3,7%	4,2%	3,7%	3,8%	4,0%
Personal consumption	-3,8%	4,2%	4,8%	4,4%	4,6%	3,7%
Government consumption	0,0%	2,0%	1,5%	2,0%	2,2%	2,2%
Gross capital expenditures	-0,3%	3,0%	2,0%	3,5%	4,0%	3,8%
Exports of goods and services	-12,1%	12,2%	7,1%	5,7%	4,7%	4,1%
Imports of goods and services	-10,7%	11,4%	5,0%	6,9%	6,1%	3,5%
Domestic demand	-2,8%	3,1%	3,4%	4,0%	4,1%	3,5%
Agriculture	5,6%	2,8%	2,9%	2,6%	2,9%	3,0%

According to the EIU forecasts, in 2021 the personal consumption in Kazakhstan will increase by 4.2% after falling by 3.8% in 2020. Domestic demand will increase by 3.1% to the level exceeding that before the pandemic. Gross capital expenditures will increase by 3% after plunging 0.3% last year due to government stimulus efforts.

In addition, the EIU forecasts that the agricultural sector will grow by an average of 2.8% between 2021 and 2025. These figures are moderate, due to the consecutive drought in most of the country.

Moreover, a growth in beef farming is expected in connection with active state support (Programme for the development of beef farming with the support of the Kazakhstan Ministry of Agriculture), which will contribute to an increase in consumption and procurement of feed. It should be noted that the cost of feed creates significant pressure on the cost of meat products, since it accounts for a significant part of its cost (50% -80%).

Source: EIU

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Sector teaser for the production of feed (succulent and coarse), compound feed and extruded feed in Kazakhstan

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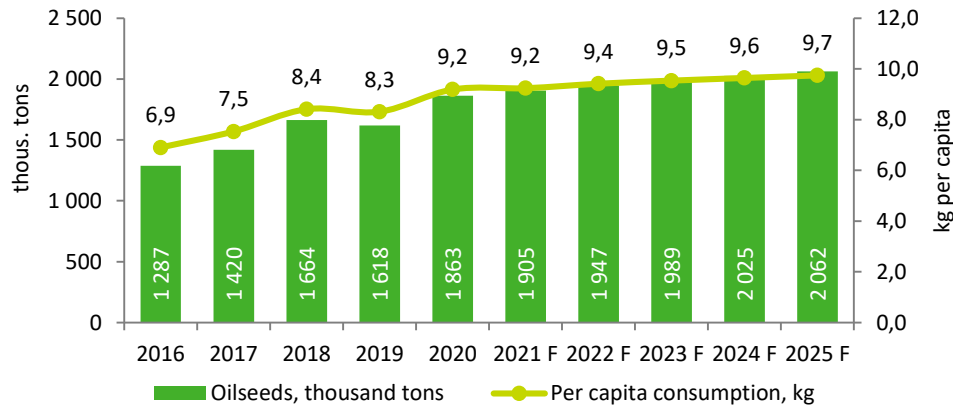
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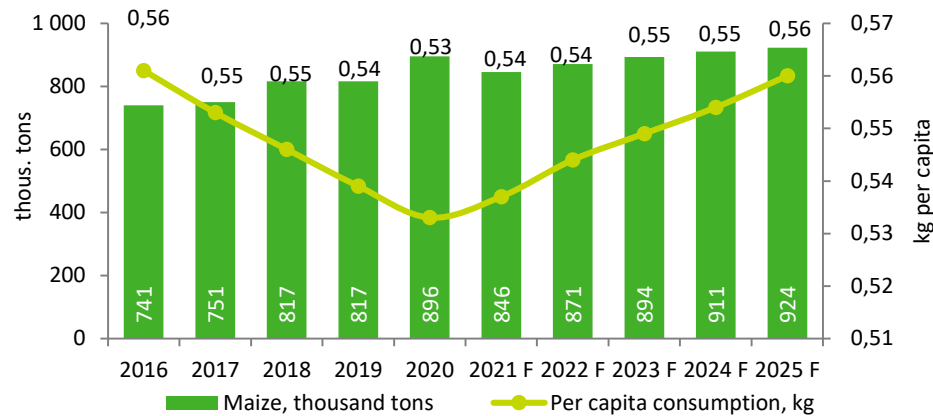
# Potential for growth in forage crops consumption



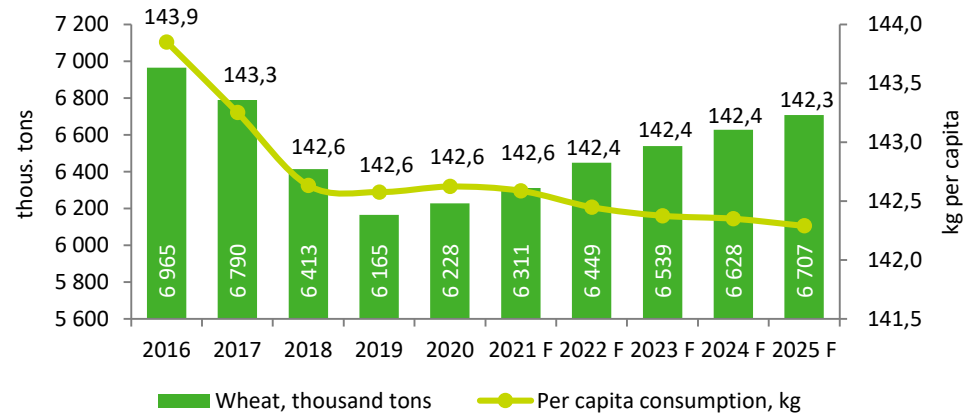
Change in oilseeds consumption in Kazakhstan



Change in corn consumption in Kazakhstan



Change in wheat consumption in Kazakhstan



- The concentrated feed usually consists of grains (wheat, oats, barley, corn), legumes and oilseeds (soybeans, peas), amino acids, vitamins and minerals.
- According to the OECD forecasts, the consumption of forage crops in Kazakhstan will grow for of all considered types: corn - by 2.2% per year, wheat - by 1.5% per year and oilseeds - by 2.0% per year. It is assumed that this increase will be associated with an increase in the number of livestock due to increased demand for meat products.

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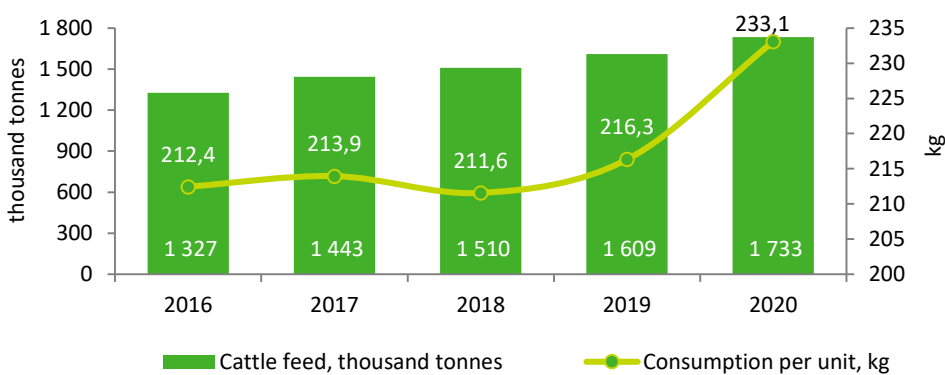


# Feed consumption (1/5)

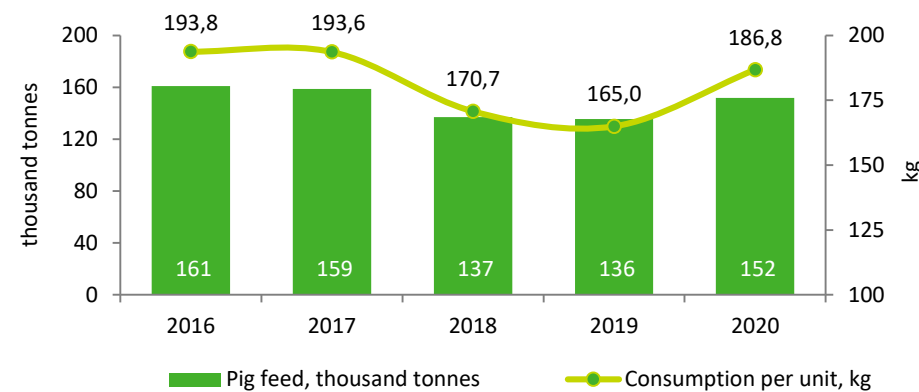


Consumption indicators take into account only the activities of all registered entities with more than 100 people who filled out the "Form 24" for statistical recording, taking into account on-farm consumption.

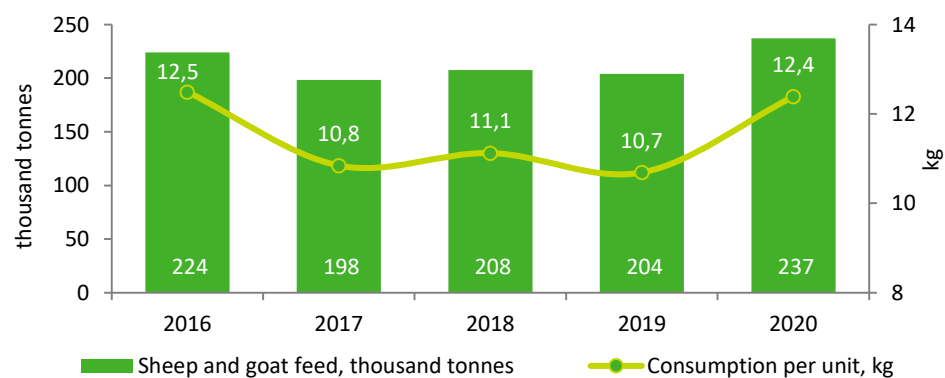
Change in cattle feed consumption in Kazakhstan



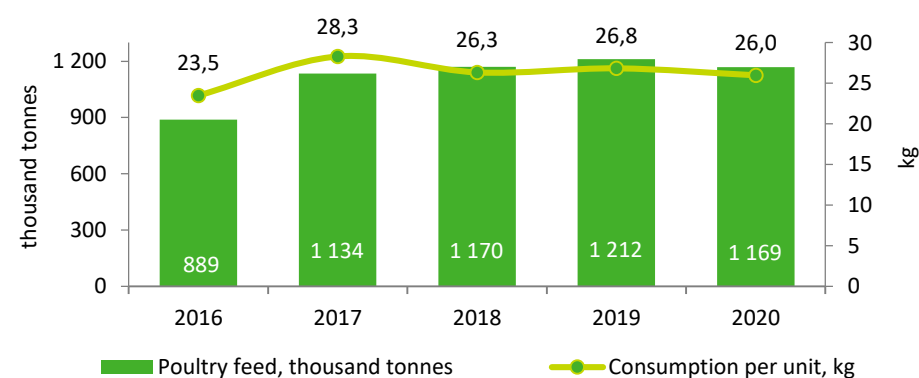
Change in pig feed consumption in Kazakhstan



Change in sheep and goat feed consumption in Kazakhstan



Change in poultry feed consumption in Kazakhstan



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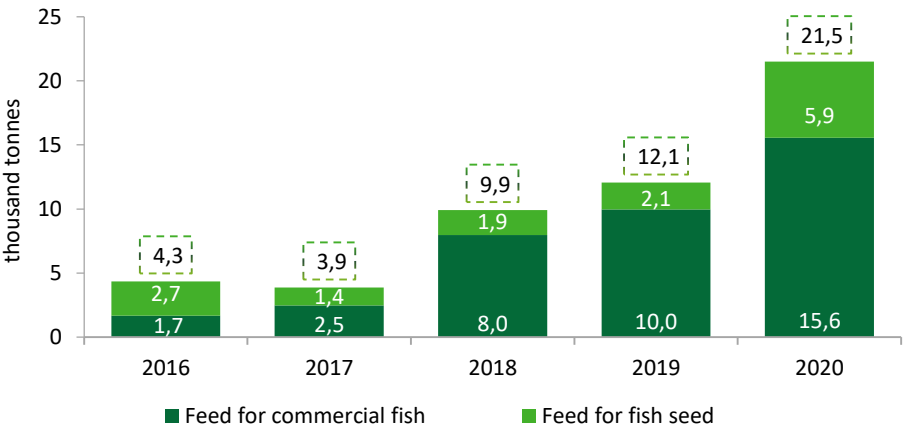


# Feed consumption (2/5)



- In 2020, the consumption of fish feed increased by 78% compared to 2019 and amounted to 21.5 thousand tonnes. CAGR over the last 5 years was 49.1%. In 2020, the share of domestic feed in the consumption structure reached 83% (17.7 thousand tonnes) and the share of imported feed was 17% (3.8 thousand tonnes).
- According to official data, in 2019, about 12.5 thousand tonnes of feed was required to rear 7 thousand tonnes of fish. Currently, there are 14 local feed producers in Kazakhstan with a total capacity of 136 thousand tonnes per year. However, feed is mainly produced only for carps. For rearing more valuable fish species, the business prefers to buy imported feed.
- In 2021, it is planned to build a feed mill for fish feed production and processing in Karaganda region. The total investment is 71.4 million USD. This project is to be implemented on the territory of the Saryarka SEZ; 500 new jobs will be created during the construction and operation period. The project is to be implemented in 2021-2022. The plant capacity will be 1,000 tonnes per day.

Change in fish feed consumption



Major fish feed producers in Kazakhstan

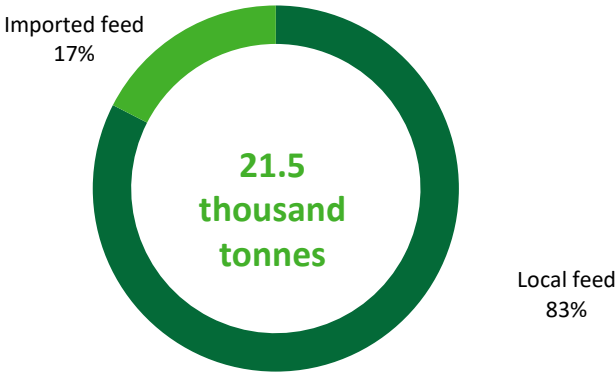


- **AQUA ALLIANCE LLP** was founded in Kazakhstan in 2013. The company is engaged in the production of extruded compound feed for carp, sturgeon and salmon, as well as in the artificial rearing of rainbow trout. The company products are sold in Kazakhstan, as well as in Russia, Uzbekistan, Kyrgyzstan and Georgia. The production capacity of the plant is 3.5 thousand tonnes per year.
- **KazKorm LLP** is located in Almaty region and produces extruded feed for fish, dogs and cats using foreign technology. The company uses up to 95% of domestic raw materials in the production of finished products. The company sells its products under brands AquaKorm, Gourman Dog, Gourman Cat, etc.

TOO «КазКорм»

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Structure of fish feed consumption by producers, 2020

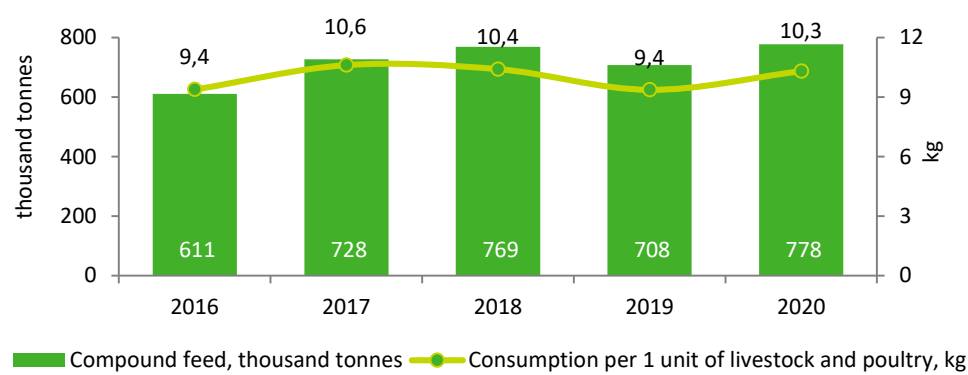




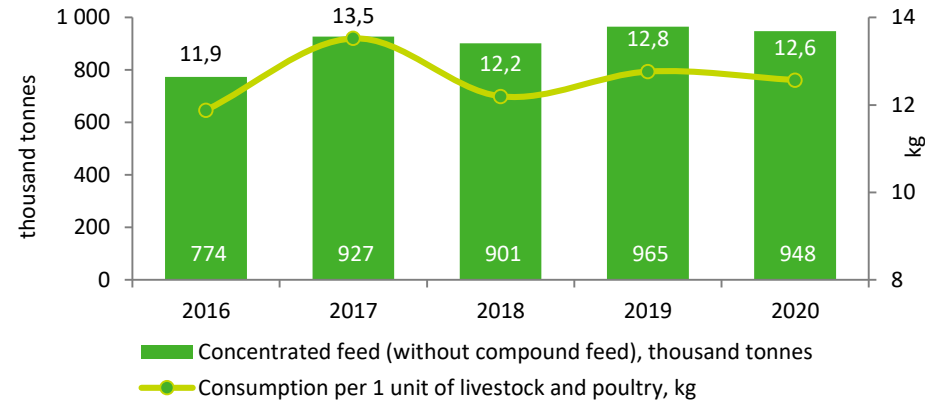
# Feed consumption (3/5)



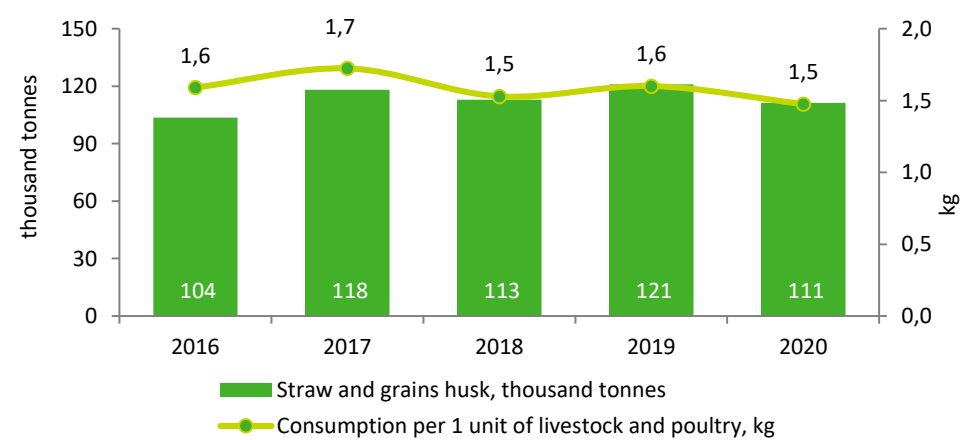
Change in compound feed consumption in Kazakhstan



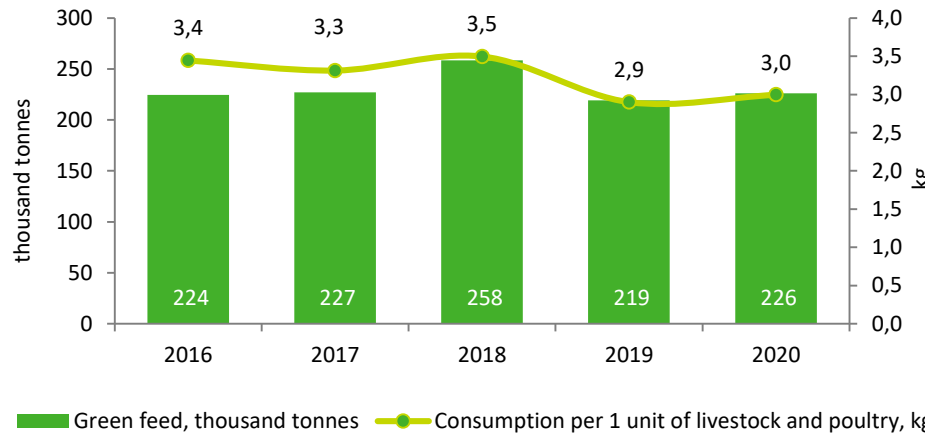
Change in concentrated feed (without compound feed) consumption in Kazakhstan



Change in straw and grains husk consumption in Kazakhstan



Change in green feed consumption in Kazakhstan



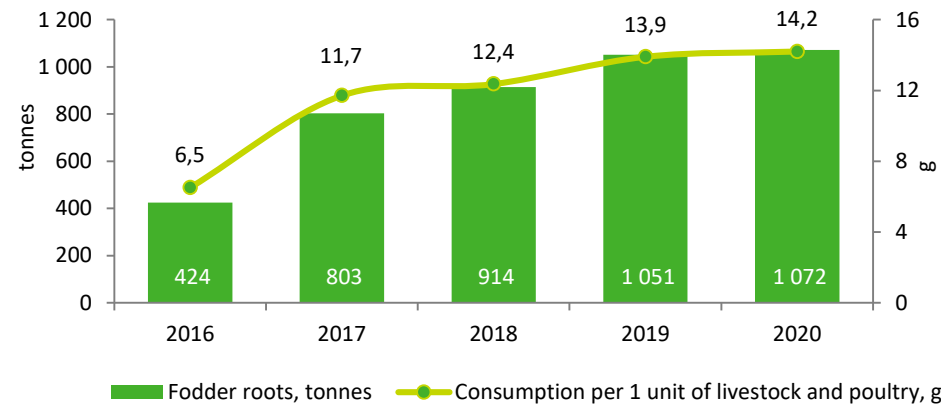
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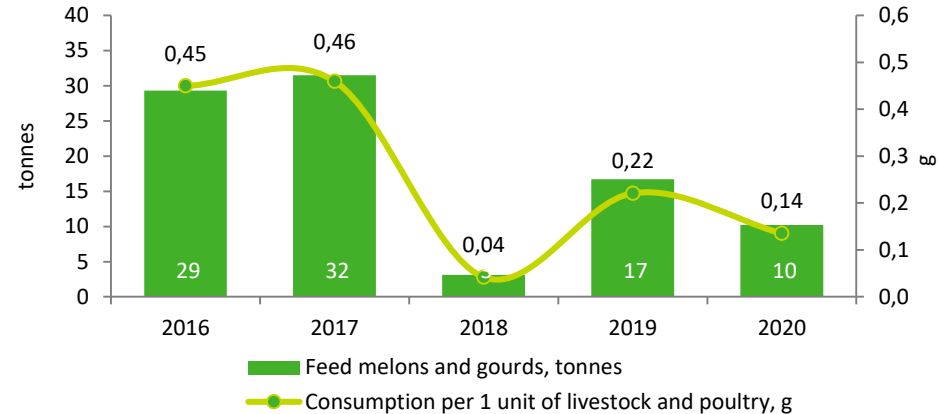
# Feed consumption (4/5)



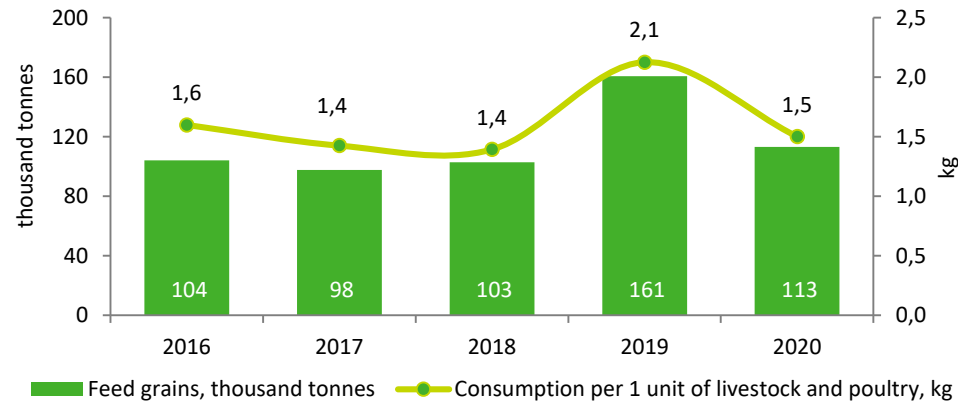
Change in fodder root crops consumption in Kazakhstan



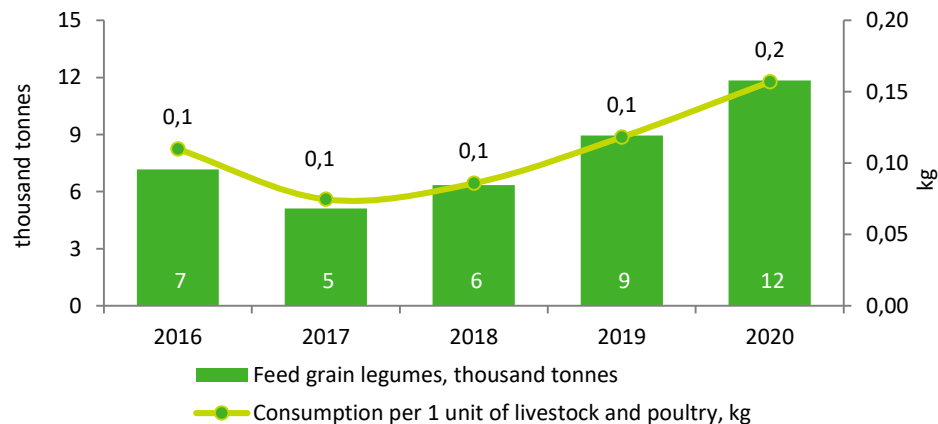
Change in feed melons and gourds consumption in Kazakhstan



Change in feed grains consumption in Kazakhstan



Change in feed grain legumes consumption in Kazakhstan



Source: Kazakhstan Statistics Committee

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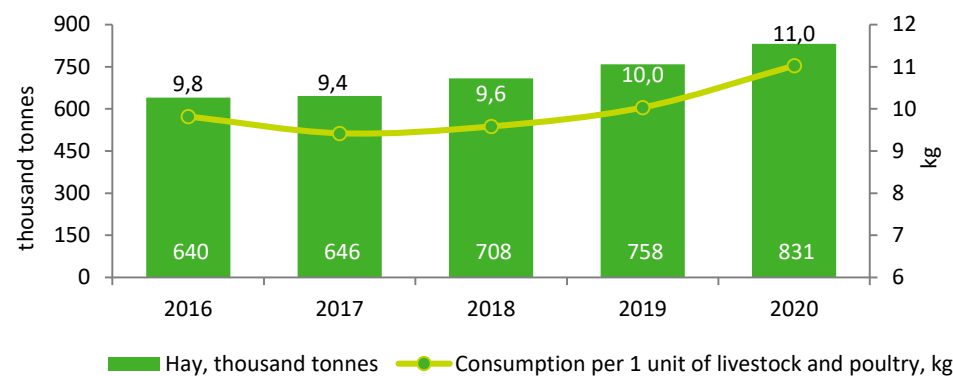
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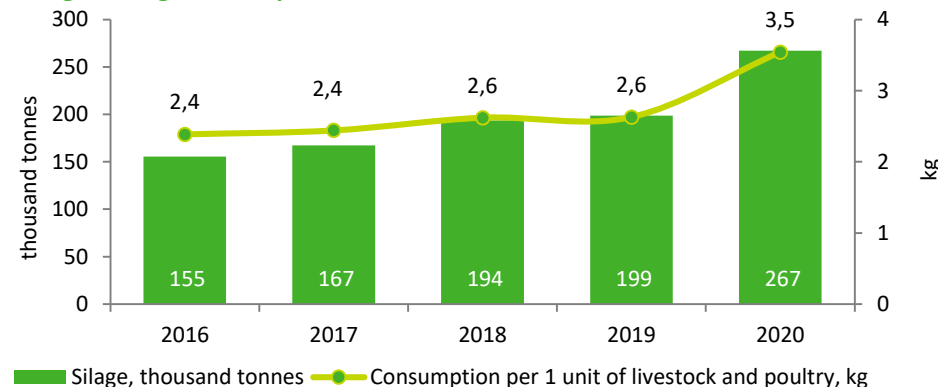
# Feed consumption (5/5)



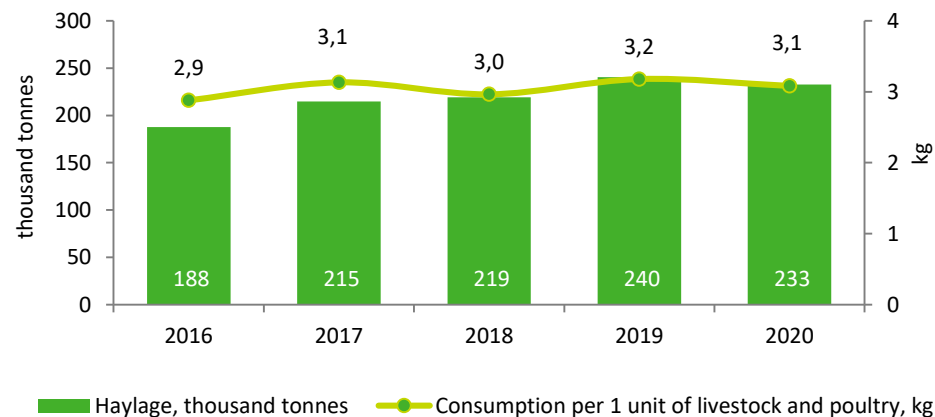
Change in hay consumption in Kazakhstan



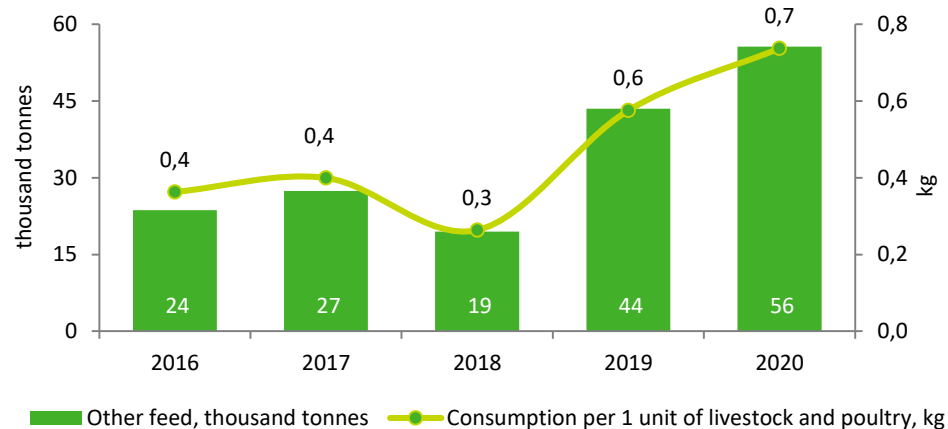
Change in silage consumption in Kazakhstan



Change in haylage consumption in Kazakhstan



Change in other feed consumption in Kazakhstan



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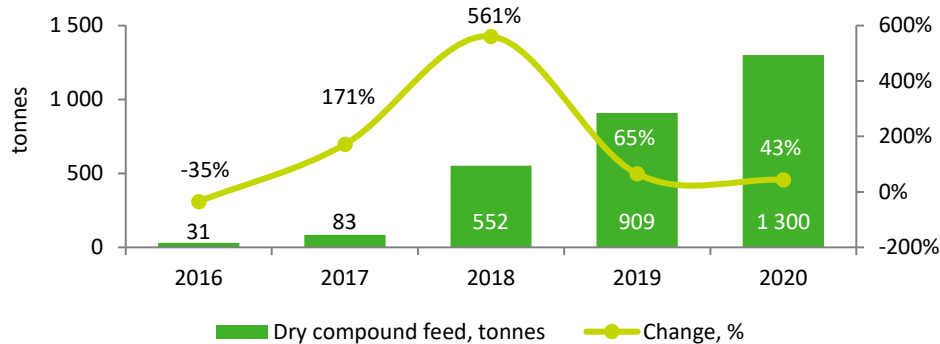




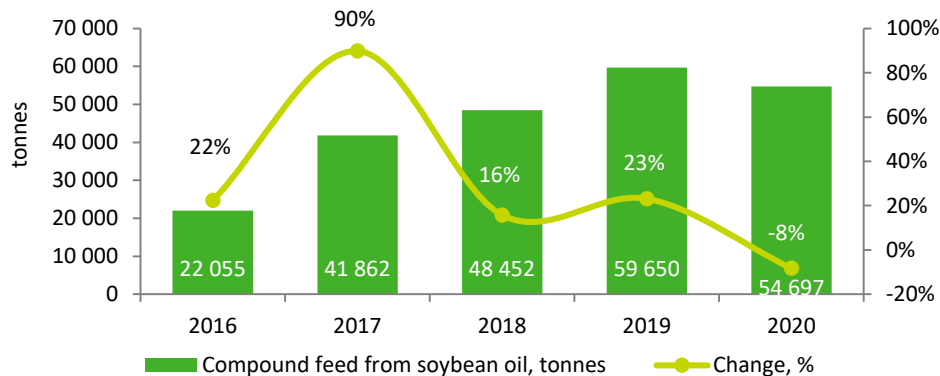
# Imports of dry compound feed and compound feed from soybean oil



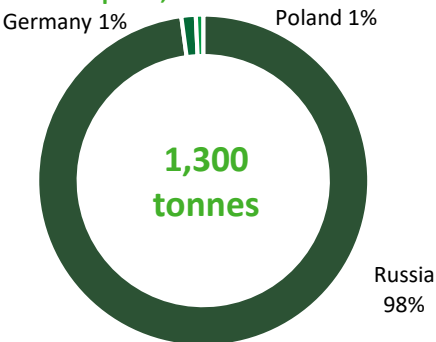
Change in dry compound feed imports



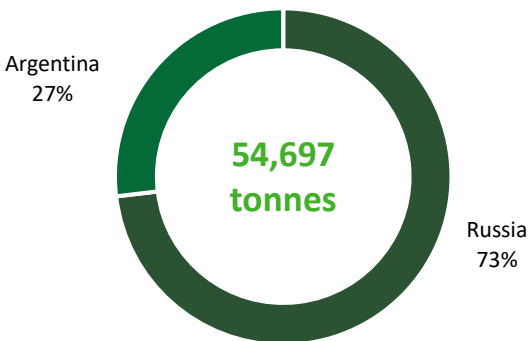
Change in imports of compound feed from soybean oil



Structure of dry compound feed imports, 2020



Structure of imports of compound feed from soybean oil, 2020



- In 2020, imports of dry compound feed into Kazakhstan amounted to 1.3 thousand tonnes. CAGR of dry compound feed imports over the last 5 years was 155%. In 2020, almost the entire volume of dry compound feed imports fell on Russia (1,272 tonnes or 98%).
- For the period between 2016 and 2020, CAGR of soybean oil compound feed imports was 25%. The supplies of compound feed from soybean oil to Kazakhstan amounted to 54.7 thousand tonnes in 2020. In 2020, Russia was the main exporter of compound feed from soybean oil to Kazakhstan (73%).

Source: ITC

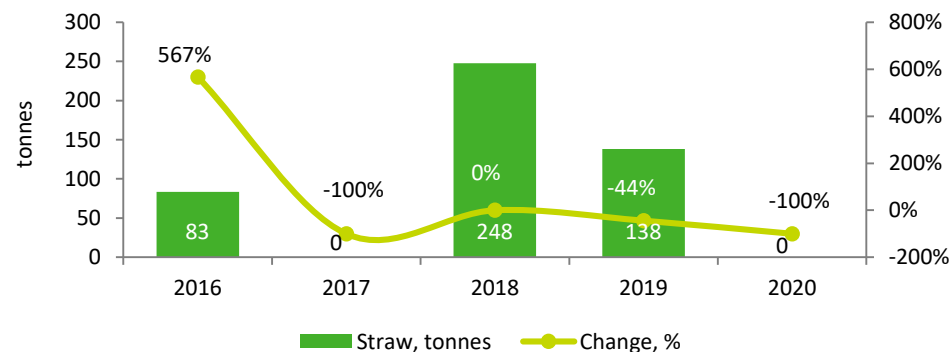
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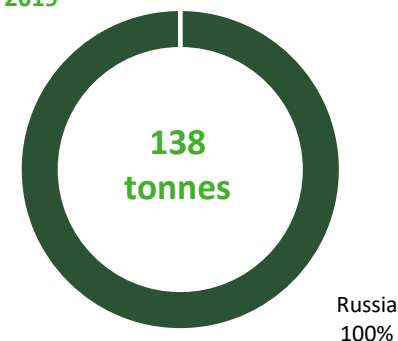
# Imports of straw and fodder corn



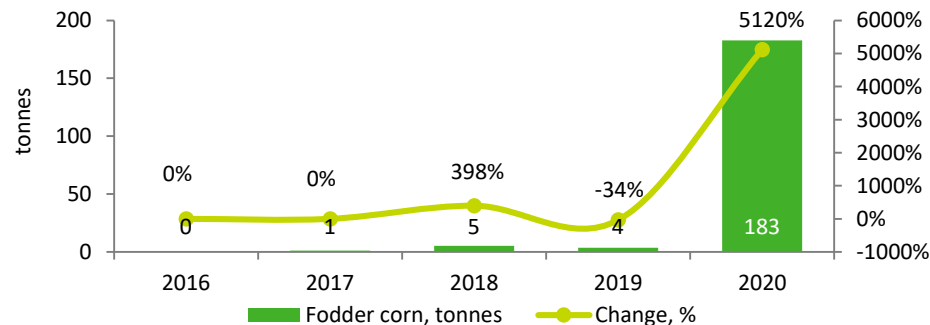
Change in straw imports



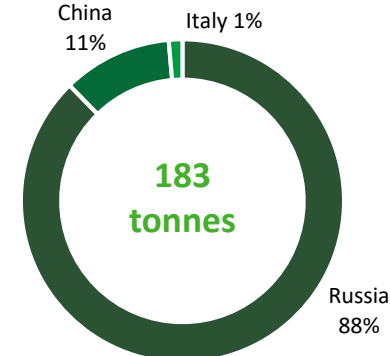
Structure of straw imports, 2019



Change in fodder corn imports



Structure of fodder corn imports, 2020



- Straw imports over the last five years have been unstable, the indicator has significantly decreased from 138 tonnes in 2019 to 0 tonnes in 2020. In 2020, straw imports amounted to 138 tonnes, decreasing by 44% compared to 2018. In 2019, the entire volume of straw imports fell on Russia (138 tonnes).
- In 2020, fodder corn imports amounted to 183 tonnes, with an increase of 5,120% compared to 2019. CAGR of fodder corn imports over the last 4 years was 456%. In 2020, the fodder corn was imported from Russia (160 tonnes or 88%), China (20 tonnes or 11%) and Italy (2 tonnes or 1%).

Source: ITC

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Sector teaser for the production of feed (succulent and coarse), compound feed and extruded feed in Kazakhstan

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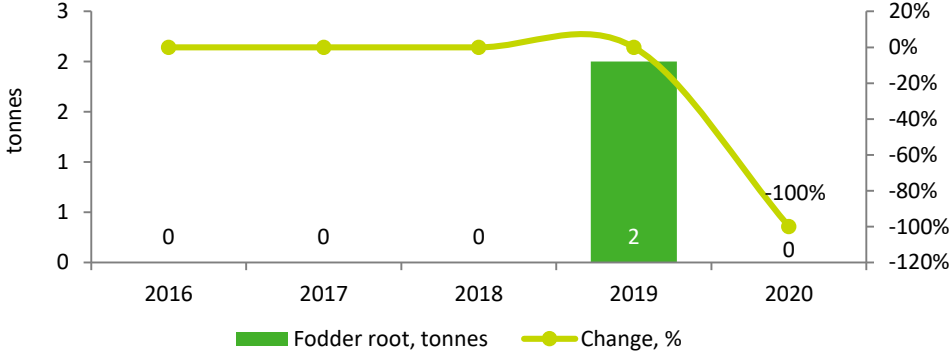




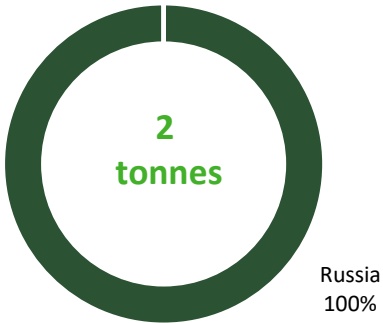
# Imports of fodder root, grain and legume feed crops



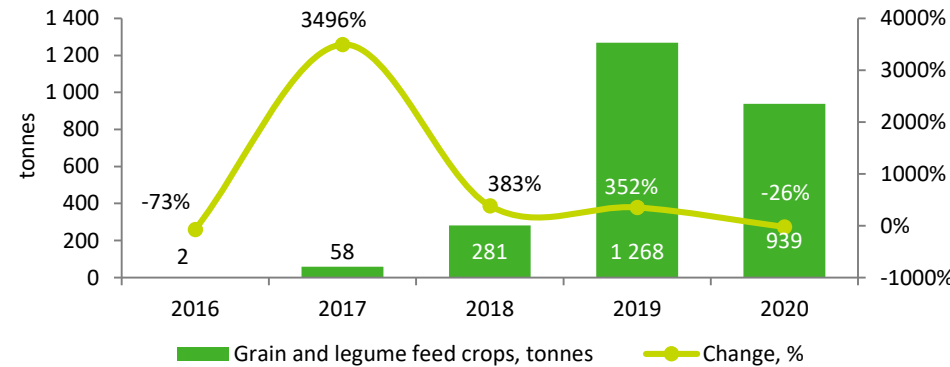
Change in fodder root imports



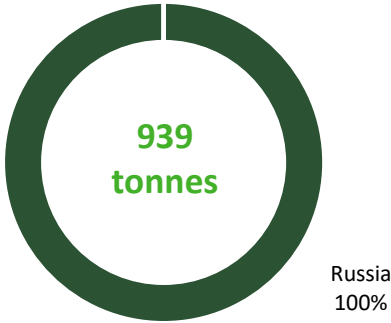
Structure of fodder root imports, 2019



Change in imports of grain and legume feed crops



Structure of grain and legume feed crop imports, 2020



- Imports of fodder root crops into Kazakhstan in 2020 decreased to 0 tonnes. In 2019, the entire volume of imported feed root crops fell on Russia (100%).
- The volume of imports of grain and legume feed crops into Kazakhstan in 2020 reached 939 tonnes. In 2020, the entire volume of imports of grain and legume feed crops fell on Russia.

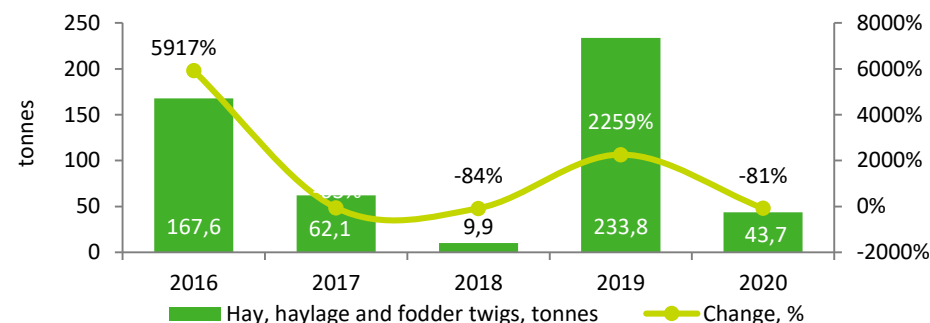
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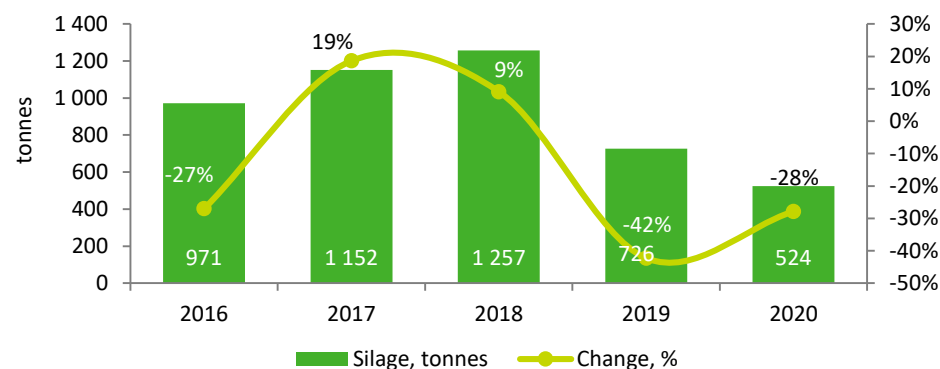
# Imports of hay, haylage and fodder twigs, silage



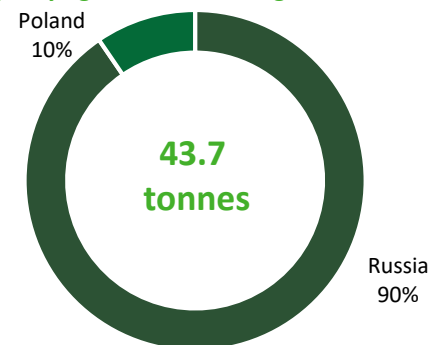
Change in imports of hay, haylage and fodder twigs



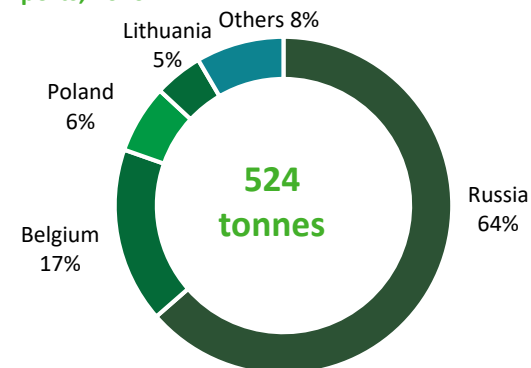
Change in silage imports



Structure of imports of hay, haylage and fodder twigs, 2020



Structure of silage imports, 2020



- In 2020, imports of hay, haylage and fodder twigs into Kazakhstan amounted to 43.7 tonnes. CAGR in imports of hay, haylage and fodder twigs over the last 5 years was -29%. In 2020, the volume of imports of hay, haylage and fodder twigs fell on Russia (39.5 tonnes or 90%) and Poland (4.2 or 10%).
- In 2020, the silage imports into Kazakhstan amounted to 524 tonnes. The main suppliers of silage into Kazakhstan in 2020 were Russia (333.2 tonnes), Belgium (88 tonnes) and Poland (34.4 tonnes). CAGR of silage imports over the last 5 years was -14%.

Source: ITC

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Sector teaser for the production of feed (succulent and coarse), compound feed and extruded feed in Kazakhstan

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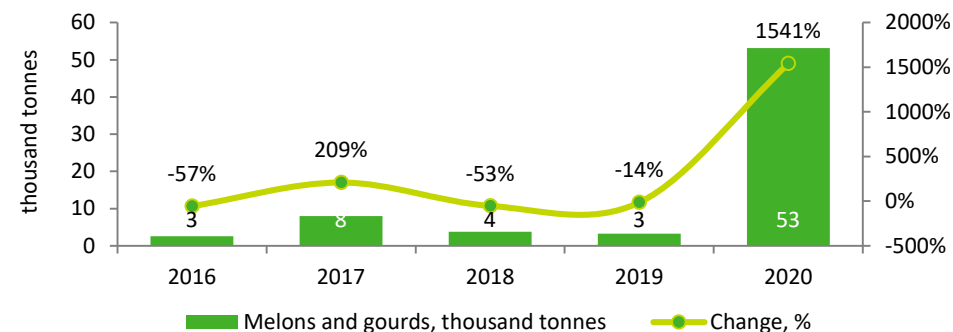
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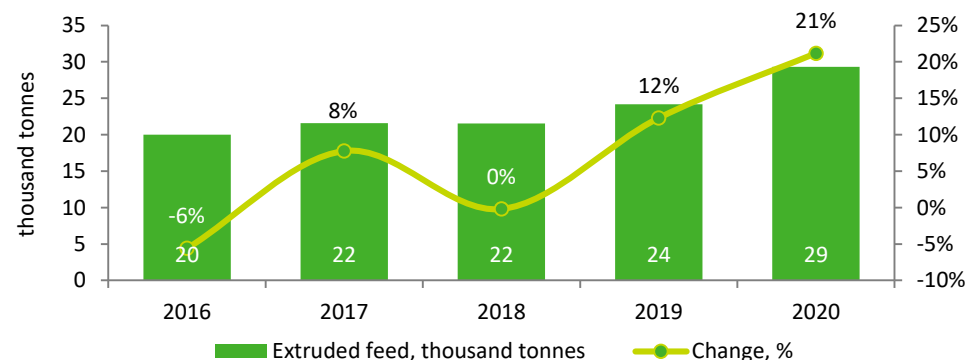
# Imports of melons and gourds, extruded feed and other feed\*



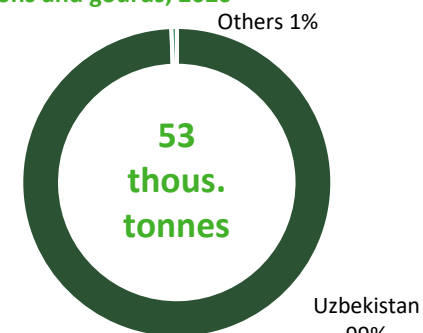
Change in imports of melons and gourds



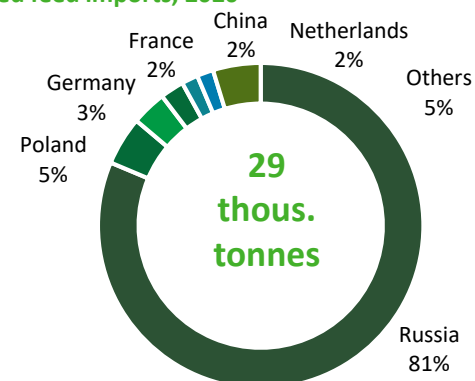
Change in extruded feed imports



Structure of imports of melons and gourds, 2020



Structure of extruded feed imports, 2020



- In 2020, the imports of melons and gourds into Kazakhstan amounted to 53 thousand tonnes. CAGR of the imports of melons and gourds over the last 5 years was 113%. In 2020, almost the entire volume of imports of melons and gourds fell on Uzbekistan (52.9 thousand tonnes or 99%).
- In 2020, the extruded feed imports into Kazakhstan amounted to 29 thousand tonnes. The main suppliers of extruded feed into Kazakhstan in 2020 were Russia – 23.8 tonnes, Poland – 1.4 tonnes and Germany – 1 tonne. CAGR of extruded feed imports over the last 5 years was 10%.

\* Other feed for farm animals, including extruded feed

Source: ITC

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# Major competitors and their advantages (1/2)



The largest supplying companies in the Kazakhstan market of feed products are from Russia. Foreign producers have large capacities for the production of the most demanded products, which allows them to produce in large volumes and at competitive prices. In addition, they have a brand, a large volume of investments for financing new projects, easier access to external financing, etc.

No.	Company	Location	Products	Additional information
1	Agro-industrial holding Miratorg	Russia, Moscow	Producer and processor of feed and compound feed	miratorg.ru
2	Agrocomplex name after N.I. Tkacheva	Russia, Krasnodar	Feed producer	zao-agrokomplex.ru
3	Agricultural holding BEZRK-Belgrankorm	Russia, Belgorod region	Producer of feed, sausage and gourmet products, commercial eggs	jasnzori.ru
4	JSC Gatchin Feed Mill	Russia, Leningrad region	Producer of feed and compound feed for farm animals and poultry, dry and canned feed for cats and dogs, feed for industrial fish farming, eggs and meat	gatchinsky-kkz.ru
5	Group of agricultural enterprises Resource	Russia, Domodedovo	Compound feed producer	gapresurs.ru
6	Group of companies Agro-Belogye	Russia, Belgorod	Feed producer. Also engaged in dairy farming	agrobel.ru
7	Rusagro Group of Companies	Russia, Tambov	Feed and compound feed producer. Engaged in pig breeding and crop production	rusagrogroup.ru
8	Cherkizovo Group	Russia, Moscow	Producer and processor of compound feed. The leading producer of compound feed in Russia	cherkizovo.com
9	OJSC Velikoluk Agroindustrial Holding	Russia, Pskov region	Pelleted feed and pork producer	Velikolukskiy.ru
10	LLC AscorAgroTrade	Russia, Krasnodar	Feed and compound feed producer	askoragrotrade.ru
11	ООО «Чароен Покпанд Фудс»	Russia, Lukhovicy	Producer of feed, compound feed, broiler meat and pork	cpfrussia.ru

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## Major competitors and their advantages (2/2)



No. Company	Location	Products	Additional information
12 LLC Ecology-PRO	Russia, Nizhny Novgorod	Producer of extruded feed for cattle, sheep and goats, poultry, pigs	extrakorm.ru
13 JSC Melkombinat under AQUAREX Russia, Tver		Producer of extruded feed for salmon, whitefish, sturgeon, carp, catfish	melkom.ru
14 LLC Provim"	Russia, Moscow	Producer of extruded feed for sturgeon, trout and carp, cattle, poultry and pigs	provimi.ru
15 Clextal	France, Firmini	Producer of extruded feed for fish and pets, food products	clextal.com
16 TM Zlatomorye	Ukraine, Kiev	Producer of extruded feed for trout, catfish, sturgeon and aquarium fish.	zlatomorie.com.
17 Agravis Raiffeisen	Germany, Munster	The company specialises in the agricultural sectors of grains, oilseeds, animal feed, fertilisers and seeds	agravis.de/en
18 Purina Animal Nutrition	USA, St. Louis	Producer of feed and compound feed for cattle, sheep and goats, pigs, poultry, fish farms, etc.	purinamills.com
19 Cargill	USA, Minnesota	Producer and seller of agricultural products, feed, meat, grain, etc.	cargill.com
20 Alltech	USA, Kentucky	Producer of feed and compound feed for cattle, pigs, poultry, fish farms, meat producer	alltech.com
21 East Hope Group Company Ltd	China, Shanghai	Animal feed producer	easthope.cn
22 Guangdong Haid Group	China, Guangzhou	Researcher and manufacturer of feed premixes for aquatic animals, poultry and aquaculture.	haid.com.cn/en

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# Potential volume of product imports substitution in Kazakhstan



## Exports and imports by type of feed in 2020, thousand USD

Item	Exports	Imports	Net position
Hay, silage and fodder twigs	266.0	42.0	224.0
Grain and legumes fodder crops	182.0	42.0	140.0
Fodder corn	59.0	30.0	29.0
Silage	92.0	84.0	8.0
Fodder root	2.0	-	2.0
Straw	-	-	-
Dry compound feed	18.0	715.0	(697.0)
Melons and gourds	8,107.0	13,081.0	(4,974.0)
Compound feed from soybean oil	16,597.0	24,997.0	(8,400.0)
Extruded and other feed	6,672.0	41,630.0	(34,958.0)
<b>Total</b>	<b>31,995.0</b>	<b>80,621.0</b>	<b>(48,626.0)</b>

- According to 2020 results, Kazakhstan is a net importer of feed; significant amounts of dog and cat feed, extruded feed and compound feed made from soybean oil are imported.
- Kazakhstan has plans to operate new feed mills, as the Kazakhstan agricultural industry is becoming more attractive for investors.
- According to the World Bank, the volume of government investment in the period from 2021 to 2025 in the livestock sector will amount to US\$ 2 billion. The main long-term priority is animal husbandry. The production of poultry will be increased to 740 thousand tonnes (4 times), growth will also be observed in other areas of production of meat products, which indicates an increase in the number of farm animals. This factor will have a positive effect on the growth in the production of feed and compound feed for poultry, cattle, pigs and fish.
- The total potential for import substitution of feed production in Kazakhstan is US\$ 49 million. Currently, Kazakhstan has about 20 plants for the production of animal feed, it is also planned to build 3 new feed plants in Karaganda and Akmola regions. However, these capacities are insufficient to meet the domestic demand and the needs for concentrated feed and feed additives in the future.

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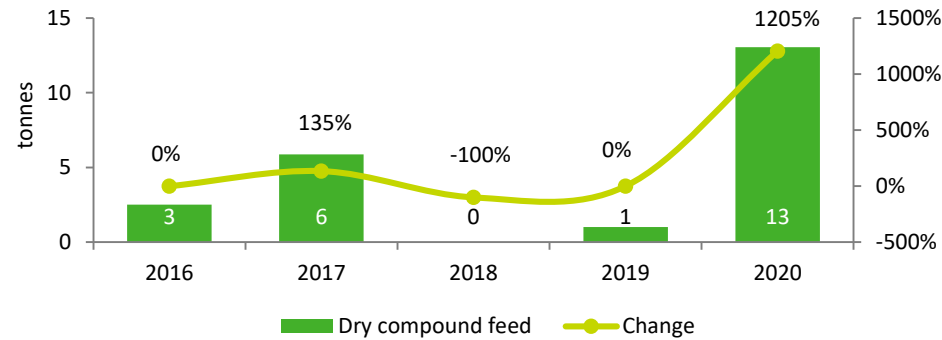


# Export of dry compound feed and compound feed from soybean oil

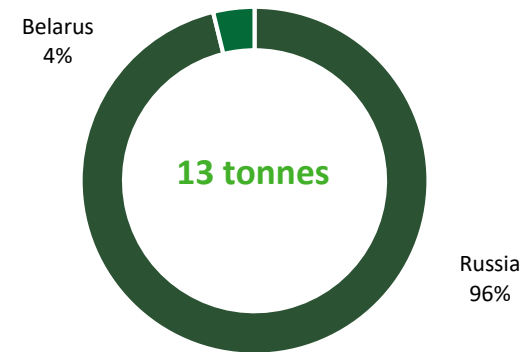


The competitive advantage of local feed producers is high quality at relatively low prices.

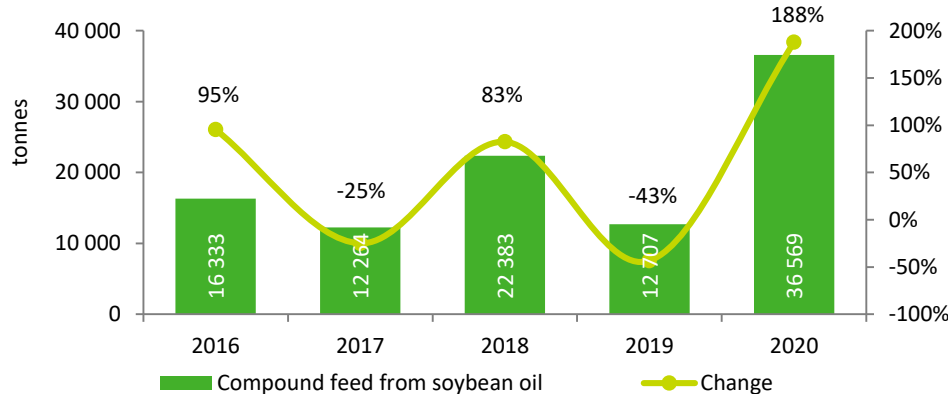
Change in dry compound feed exports



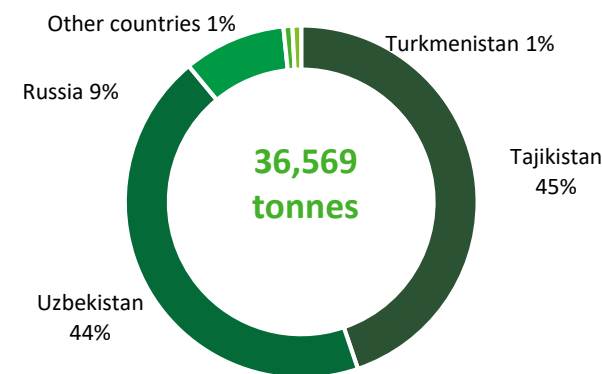
Structure of dry compound feed exports, 2020



Change in exports of compound feed from soybean oil



Structure of exports of compound feed from soybean oil, 2020



- In 2020, Kazakhstan exported 13 tonnes of dry feed. The main importer of dry feed from Kazakhstan in 2020 was Russia - 96%.
- In 2020, Kazakhstan exported 36,569 tonnes of compound feed from soybean oil. This indicator increased by 188% compared to 2019. Over the last five years, CAGR of exports of this type of feed was 22%. The main importers of Kazakhstan products in 2020 were Tajikistan - 45%, Uzbekistan - 44% and Russia - 9%.

Source: ITC

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Sector teaser for the production of feed (succulent and coarse), compound feed and extruded feed in Kazakhstan

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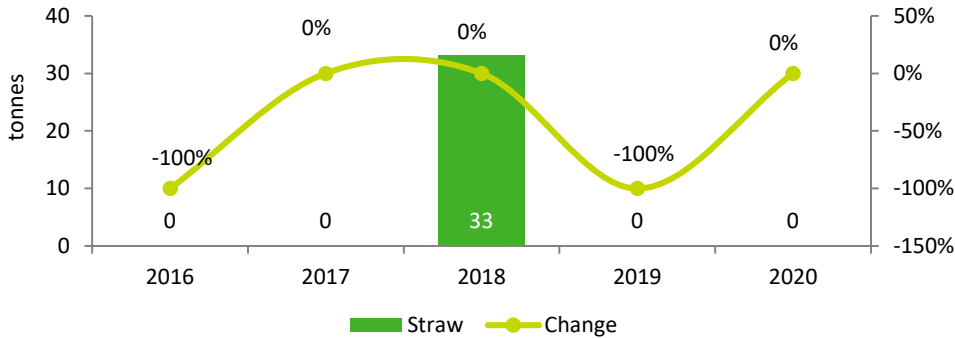


# Exports of straw and fodder corn

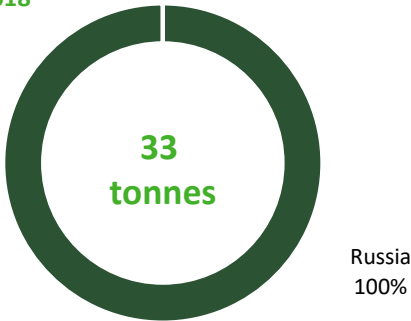


The competitive advantage of local feed producers is high quality at relatively low prices.

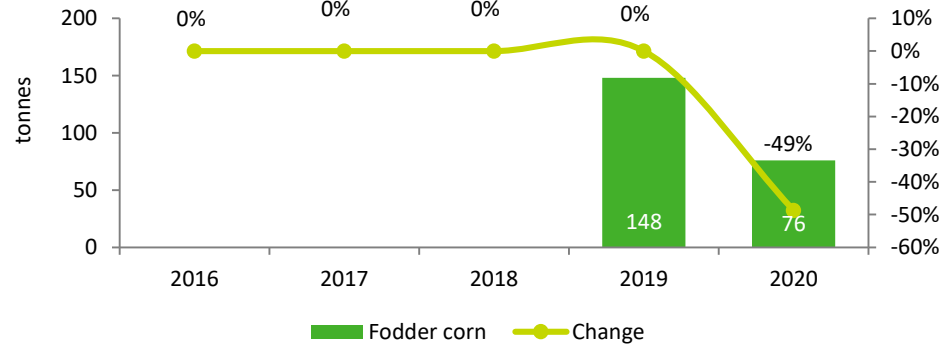
Change in straw exports



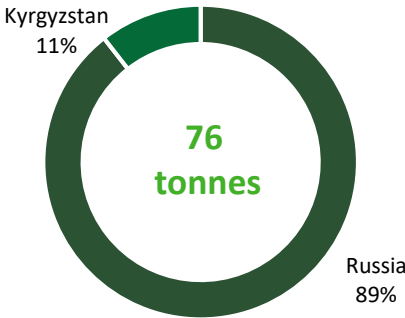
Structure of straw exports, 2018



Change in fodder corn exports



Structure of fodder corn exports, 2020



- Kazakhstan last exported 33 tonnes of straw in 2018, with Russia being the only importer. Over the last two years, there has been no trade in this product.
- In 2020, Kazakhstan exported 76 tonnes of fodder corn. Export statistics for fodder corn from Kazakhstan are as follows: Russia - 67.8 tonnes and Kyrgyzstan - 8 tonnes.

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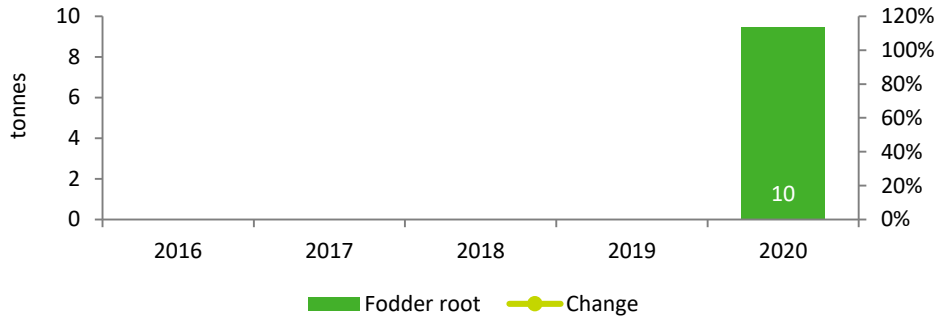


# Exports of fodder root, grain and legume feed crops

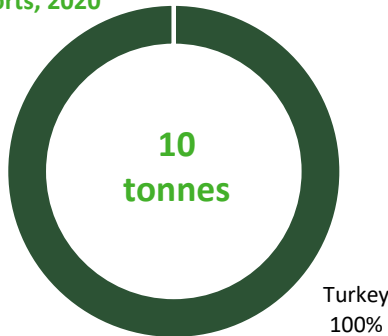


The competitive advantage of local feed producers is high quality at relatively low prices.

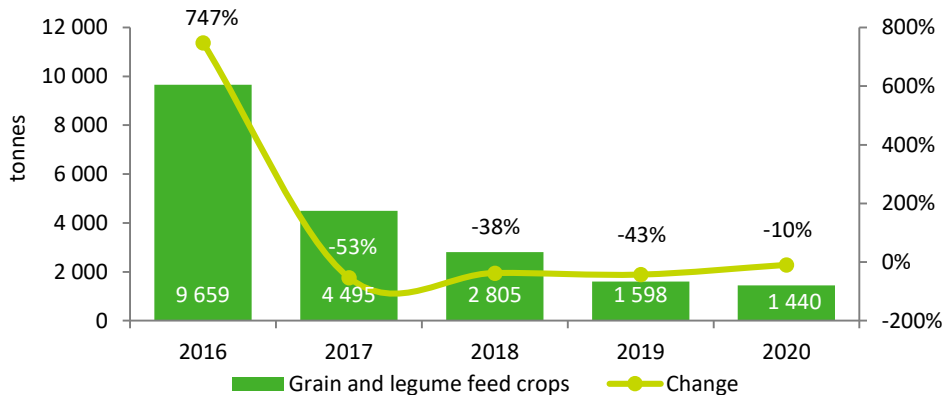
Change in fodder root exports



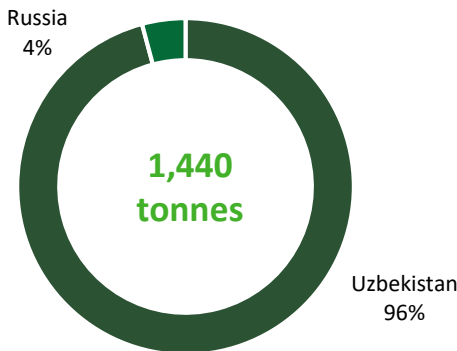
Structure of fodder root exports, 2020



Change in exports of grain and legume feed crops



Structure of grain and legume feed crop exports, 2020



- The exports of fodder root crops from Kazakhstan began in 2020, amounting to 10 tonnes. Turkey is the only importer of these products.
- In 2020, the exports of grain and legume feed crops amounted to 1,440 tonnes, which is 10% less than in 2019. The export volumes of this product are rapidly plunging, with CAGR of -38%. The importers of these feeds were Uzbekistan and Russia.

Source: ITC

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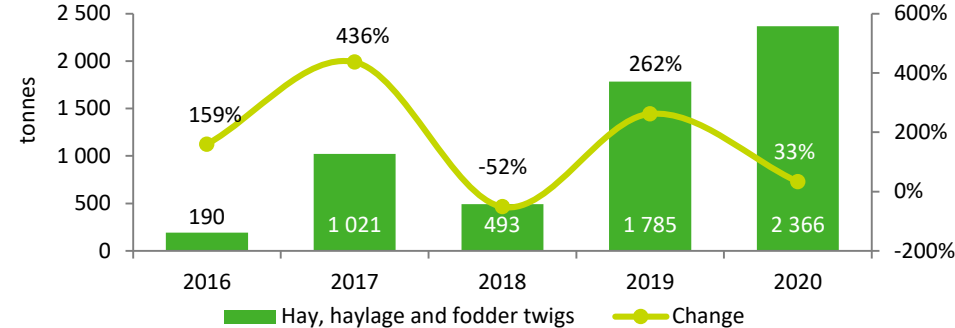


# Exports of hay, haylage and fodder twigs, silage

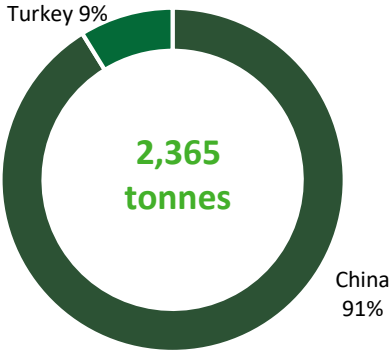


The competitive advantage of local feed producers is high quality at relatively low prices.

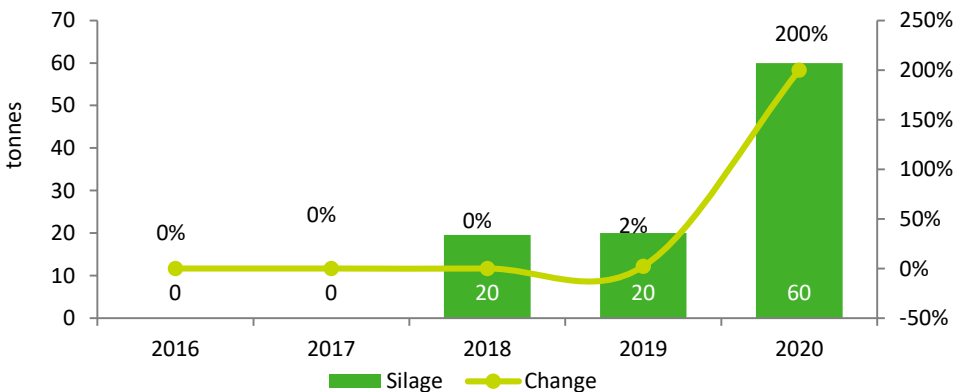
Change in exports of hay, haylage and fodder twigs



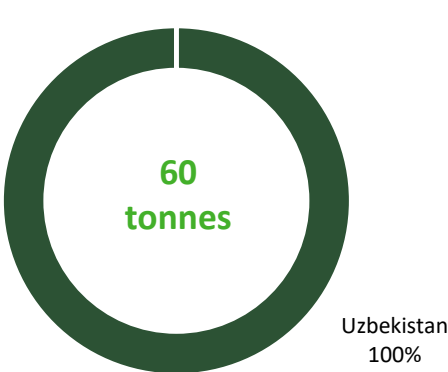
Structure of exports of hay, haylage and fodder twigs, 2020



Change in silage exports



Structure of silage exports, 2020



- Over the last year, the country has exported about 2,366 tonnes of hay, haylage and fodder twigs. Compared to the previous period, this figure increased by 33%. The main importers were China (2,157 tonnes) and Turkey (208 tonnes).
- In 2020, the silage exports from Kazakhstan amounted to 60 tonnes. The only buyer of the silage was Uzbekistan, where 60 tonnes were supplied.

Source: ITC

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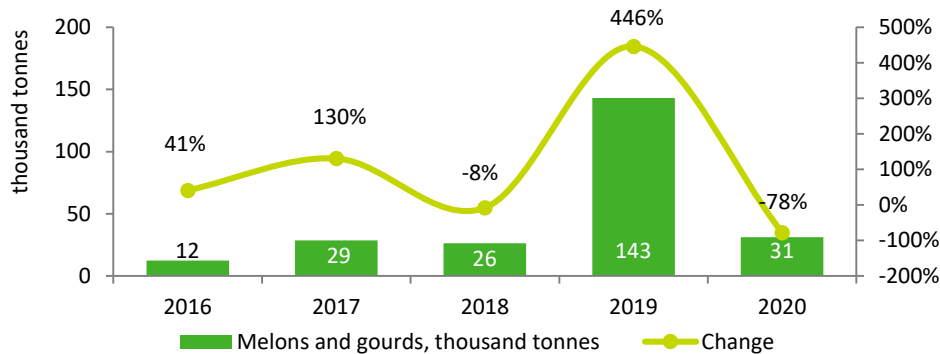


# Exports of melons and gourds, extruded feed and other feed\*

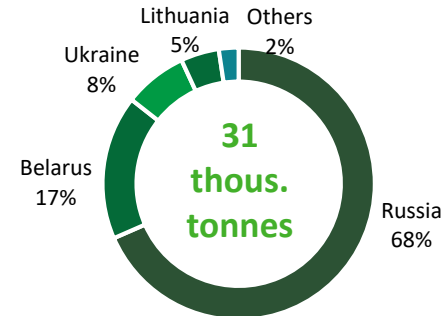


The competitive advantage of local feed producers is high quality at relatively low prices.

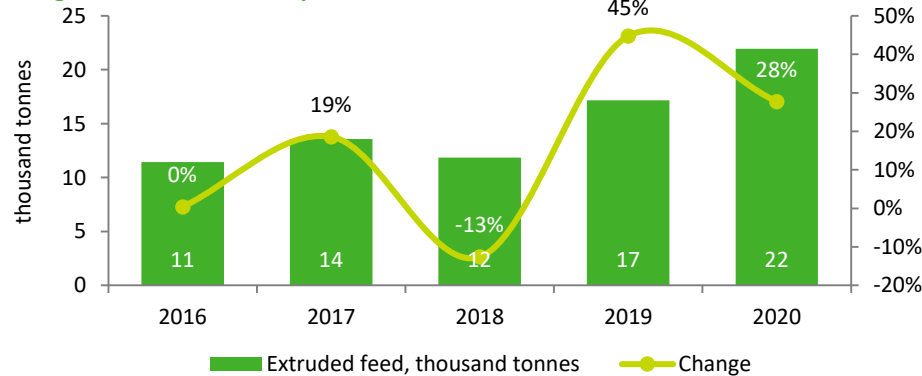
Change in exports of melons and gourds



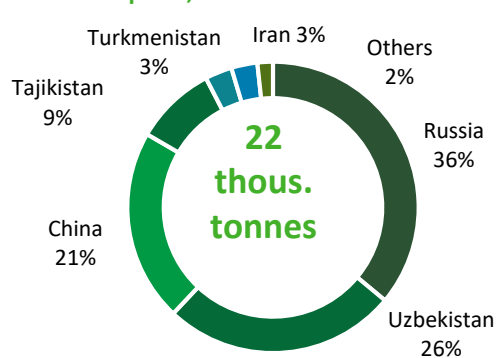
Structure of exports of melons and gourds, 2020



Change in extruded feed exports



Structure of extruded feed exports, 2020



- In 2020, the exports of melons and gourds from Kazakhstan amounted to 31 thousand tonnes. CAGR in the exports of melons and gourds over the last 5 years was 26%. In 2020, the melons and gourds were exported from Russia - 68%, Belarus - 17%, Ukraine - 8% and Lithuania - 5%.
- In 2020, the exports of extruded feed from Kazakhstan amounted to 22 thousand tonnes. The main importers of extruded feed from Kazakhstan in 2020 were Russia (7.9 thousand tonnes), Uzbekistan (5.7 thousand tonnes) and China (4.7 thousand tonnes). CAGR in the exports of extruded feed over the last 5 years was 18%. Since this category includes all other feed, including extruded, Kazakhstan is involved in exports and re-exports. There is no production on an industrial scale, only for own needs

\* Other feed for farm animals, including extruded feed  
Source: ITC

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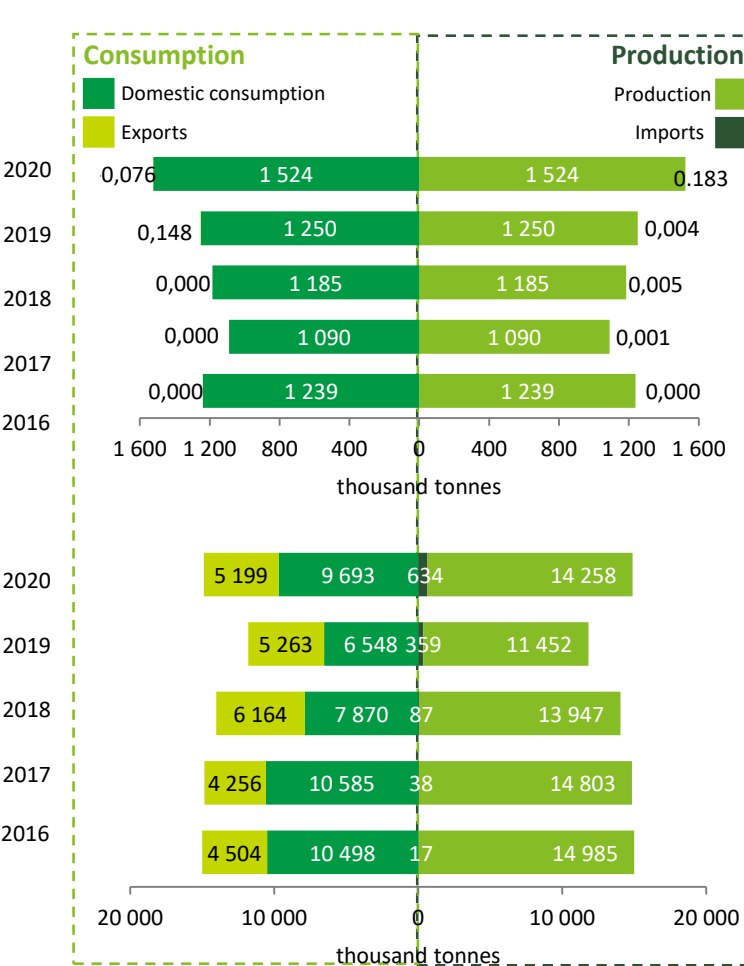
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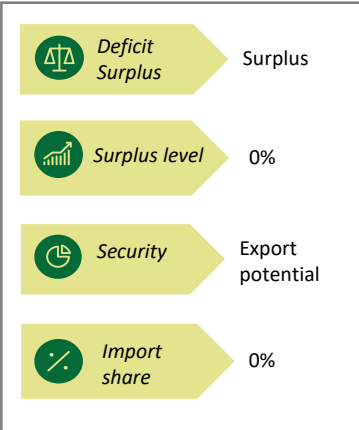
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# Feed corn and wheat

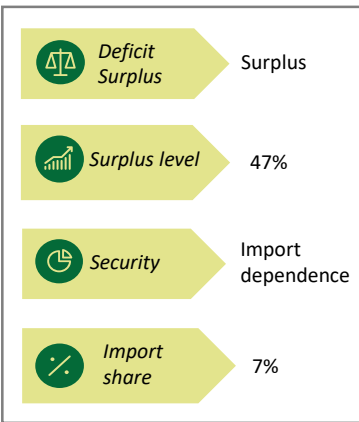


## Feed corn\*



- In the period between 2016 and 2020, feed corn production has been increasing annually in Kazakhstan, with CAGR of 5.3%.
- In 2020, Kazakhstan **does not depend** on external supplies of feed corn, since the existing Kazakhstan capacities are able to meet domestic demand, while import share has been at almost zero over the last 5 years.
- Given the current domestic production specialisation and the introduction of state policy to rationalise the import of goods and services by stimulating the domestic manufacture of similar products, **the potential import substitution** of feed corn is comparable to imports and insignificant. It is a less attractive niche for investors.

## Wheat



- There is a **surplus** in wheat production in the country; domestic production fully satisfied domestic demand. In 2020, the country produced 14,258 thousand tonnes of wheat with a consumption of 9,693 thousand tonnes.
- Given the current domestic production specialisation and the introduction of state policy to rationalise the import of goods and services by stimulating the domestic manufacture of similar products, and also creating new businesses in the country, **the potential import substitution** of wheat is comparable to imports. It is a less attractive niche for investors.

\* Consumption was calculated using the formula: (production + imports) - exports

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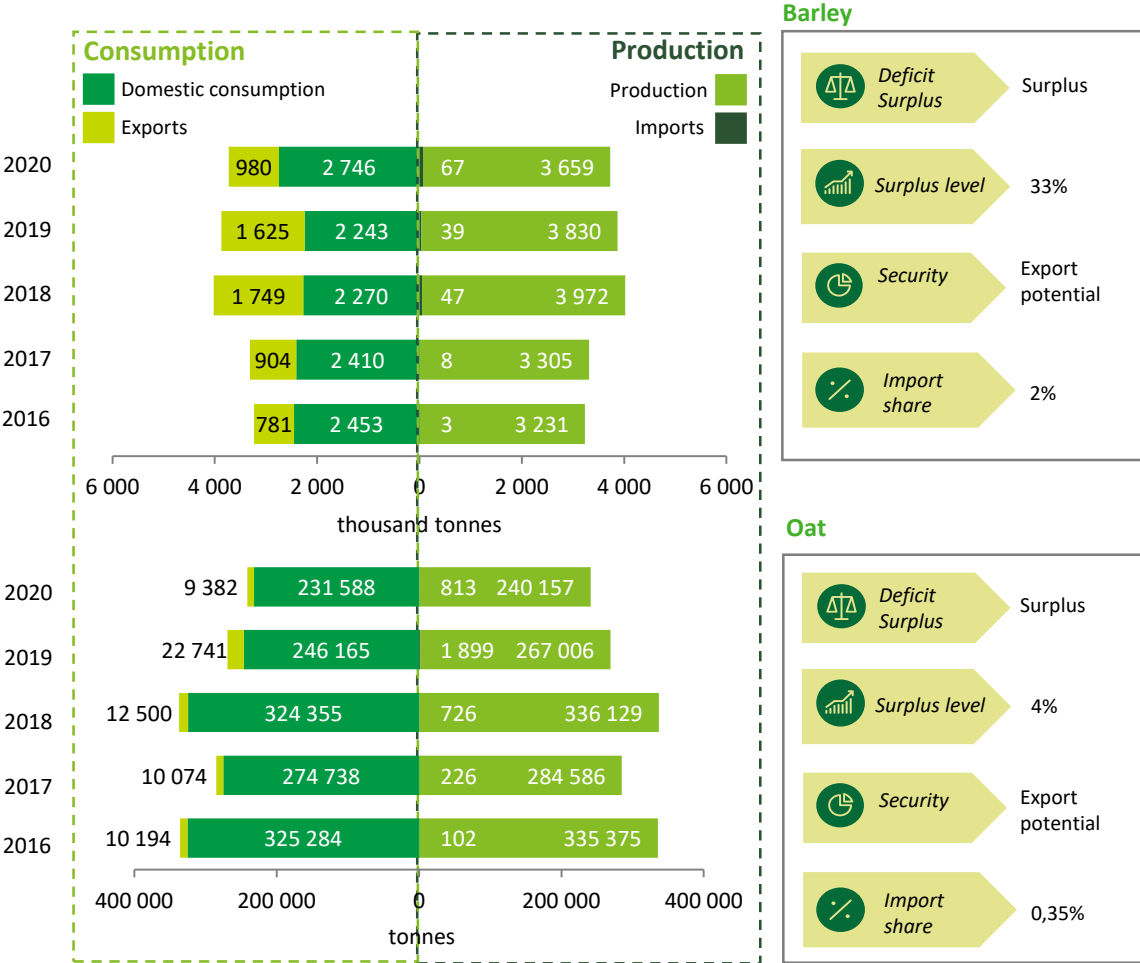
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# Barley and oat



- In 2020, Kazakhstan produced 3,659 thousand tonnes of barley and consumed only 75%.
- Domestic production of barley fully covers the domestic demand of the country. The barley market is saturated, competitive and mature.
- Given the current domestic production specialisation and the introduction of state policy to rationalise the import of goods and services by stimulating the domestic manufacture of similar products, the potential import substitution of barley is comparable to imports and insignificant. It is a less attractive niche for investors.
- The country has an export potential for the sale of flour products, the surplus level of production is 33%.

- In Kazakhstan, oat production fully covers domestic demand. In 2020, the country produced 240,157 tonnes of finished products, while consumption was 231,588 tonnes.
- Given the current domestic production specialisation and the introduction of state policy to rationalise the import of goods and services by stimulating the domestic manufacture of similar products, the potential import substitution of oat is comparable to imports and insignificant. It is a less attractive niche for investors.
- Oat production has a high export potential and the import share is only 0.35%.

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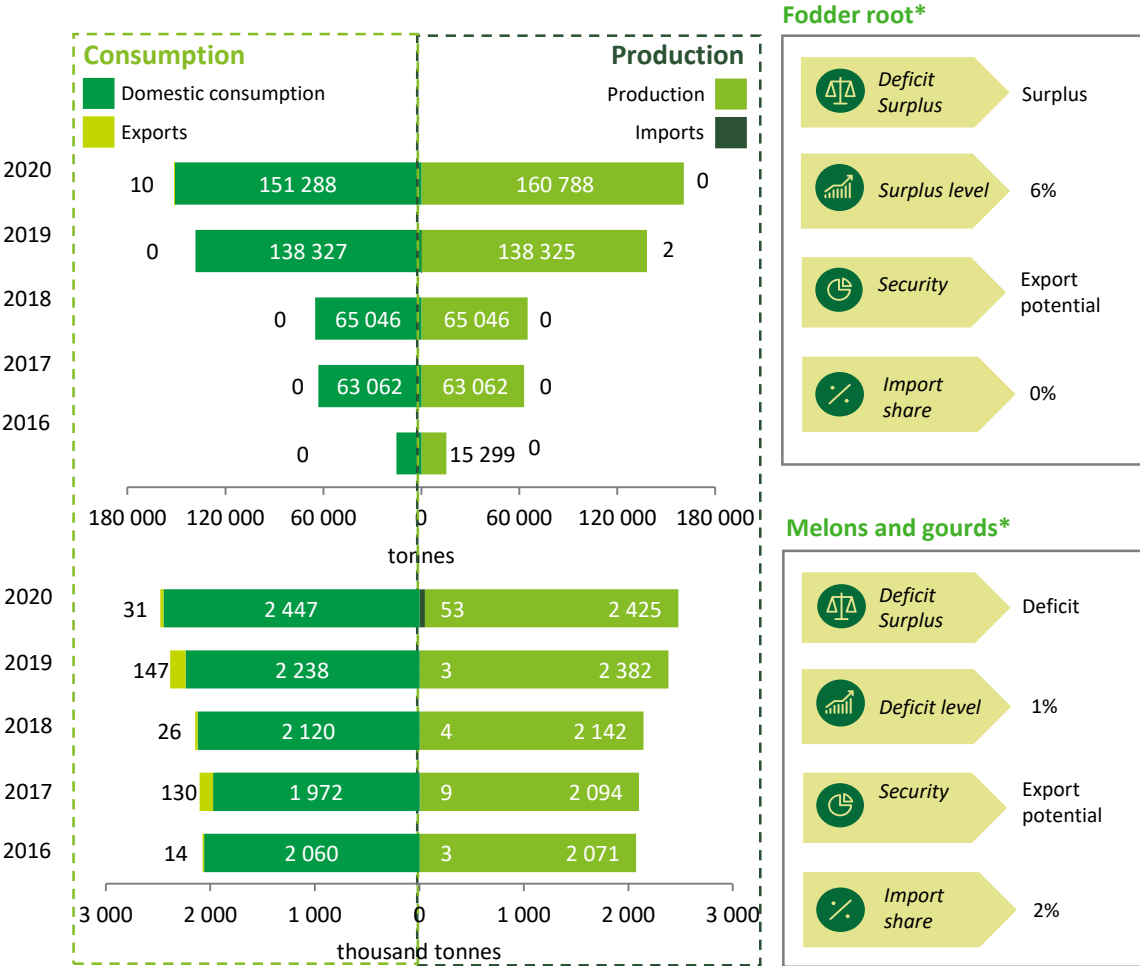
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# Fodder root crops and melons and gourds



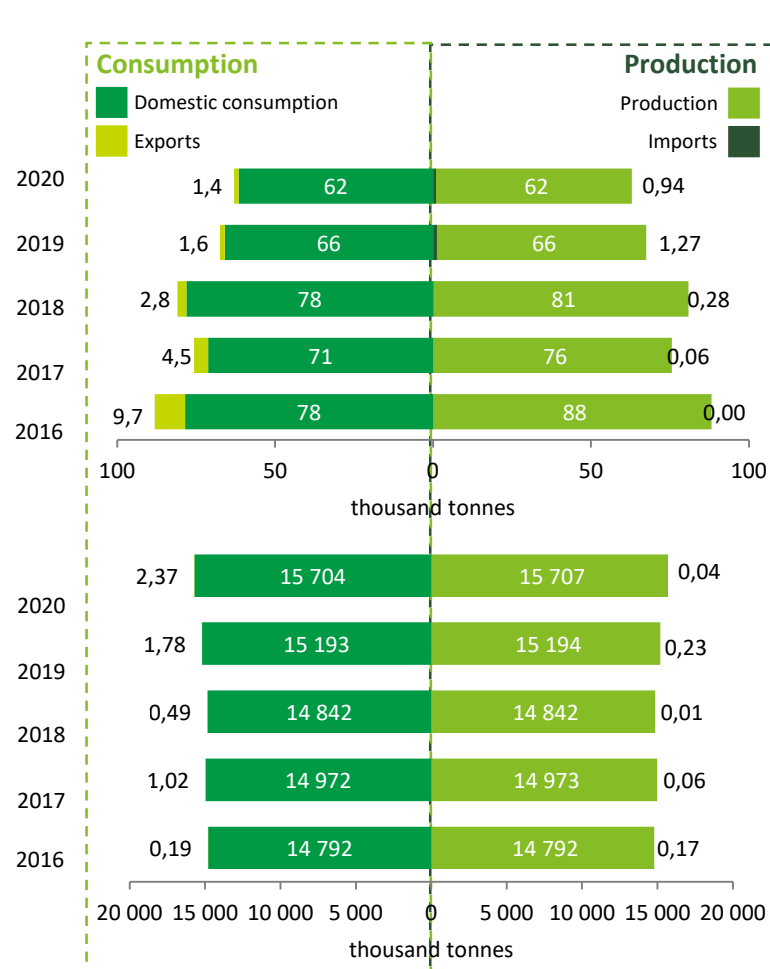
- There is a **surplus** in the production of fodder root crops in the country, since production volumes fully cover domestic demand.
- In 2020, Kazakhstan **does not depend** on external supplies of fodder root, since the existing Kazakhstan capacities are able to meet domestic demand, while import share has been at almost zero over the last 5 years
- Given the current domestic production specialisation and the introduction of state policy to rationalise the import of goods and services by stimulating the domestic manufacture of similar products, and also creating new businesses in the country, the **potential import substitution** of fodder root is comparable to imports. It is a less attractive niche for investors.

- In 2016-2020, there was a low level of deficit for melons and gourds: domestic production of melons and gourds almost completely covered domestic demand. In 2020, the country produced 2,424 thousand tonnes of melons and gourds with the same consumption.
- Given the current domestic production specialisation and the introduction of state policy to rationalise the import of goods and services by stimulating the domestic manufacture of similar products, the **potential import substitution** of melons and gourds is comparable to imports and insignificant. It is a less attractive niche for investors.
- The production of melons and gourds has **export potential**. Over the last five years, production has increased 1.2 times, and the volume of exports has more than doubled, reaching 31 thousand tonnes.

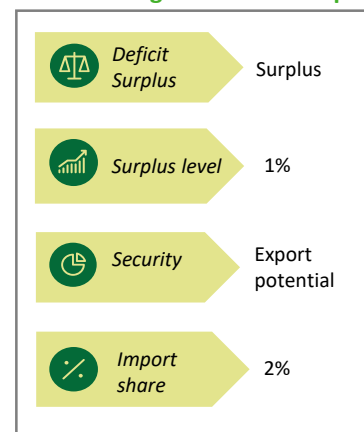
\* Consumption was calculated using the formula: (production + imports) - exports

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# Grain, leguminous fodder crops and hay, haylage and fodder twigs

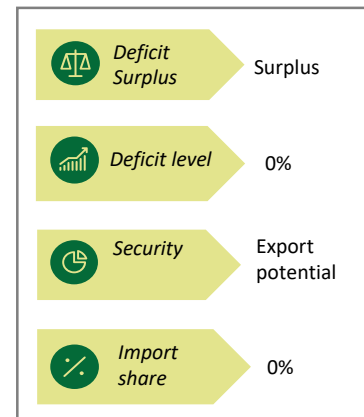


## Grain and legume fodder crops \*



- There is a **surplus** in the production of grains and legumes in the country, since production volumes partially cover domestic demand. Import share accounts for 2% of the demand, surplus level is 1%.
- Given the current domestic production specialisation and the introduction of state policy to rationalise the import of goods and services by stimulating the domestic manufacture of similar products, **the potential import substitution** of grains and legumes is comparable to imports and insignificant. It is a less attractive niche for investors.

## Hay, haylage and fodder twigs\*



- In 2016-2020, domestic production of hay, haylage and fodder twigs is almost entirely in domestic demand. At the end of 2020, the country produced 15 707 thousand tons of hay, haylage and fodder twigs.
- Given the current domestic production specialisation and the introduction of state policy to rationalise the import of goods and services by stimulating the domestic manufacture of similar products, **the potential import substitution** of hay, haylage and fodder twigs is comparable to imports and insignificant. It is a less attractive niche for investors.
- The production of hay, haylage and fodder twigs has **export potential**. Over the last five years, production has been increasing at CAGR of 1.5%.

\* Consumption was calculated using the formula: (production + imports) - exports

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## 1 Commodity prices

Pricing for animal feed depends on the purchase prices of the main raw materials: grains, oilseeds, legumes and other crops. Prices for agricultural products, in turn, depend on world exchange prices, government grants, prices for services such as electricity, petroleum, etc.

## 2 Factors affecting pricing

Market prices for agricultural products are mainly influenced by factors that do not depend on the producer.

- The price of grains is influenced by production indicators: sown areas, yield forecast and reserves of the previous yield. If supply, reserves and yields increase, then this negatively affects the price.
- Weather conditions are one of the main factors in the formation of market prices. Hot weather and drought may provoke an increase in product prices due to low production volumes.
- There is also a big correlation between the financial and commodity markets. For example, when the financial market falls, investors prefer to invest in the commodity and raw materials market.
- Financial institutions operating on global trading platforms may directly influence price fluctuations. Often, the volume of trading on exchanges exceeds the real volume of goods sold and bought in physical markets, thereby causing price fluctuations.

## 3 Taxation

As one of the strategically important sectors of the Kazakhstan economy, the agro-industrial complex benefits from state support in terms of taxation. The generally established taxation regime of agricultural producers makes it possible to reduce payments for the following types of taxes: CIT in the amount of the early payroll; VAT payable to the budget by 70%; social tax of 6.5%.

In order to increase labour productivity in agriculture and to use the exports potential of the agricultural sector, the Kazakhstan Government has set the goal of introducing modern technology by attracting foreign investment, providing preferences to investors in the form of guaranteeing a return on investment, exemption from certain types of taxes and co-financing. Kazakhstan is introducing forms of insurance to support agricultural producers in the event of unfavourable weather conditions.

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# Prices of local producers



Price per ton of production, USD.

Company	Prepared bird feed	Prepared feed for cattle	Prepared pig feed	Prepared feed for goats	Combined feed	Extruded feeds	Bran	Wheat	Rape- seed	Oats	Corn
Viamin Kazakhstan LLP	774	532	508	363	-	-	-	-	-	-	-
Baiterek AgroTrade LLP	-	-	-	-	-	472	-	-	-	-	-
FPD LLP	-	-	-	-	-	-	169	-	-	-	-
Kazcrop LLP	-	-	-	-	-	350	-	250	-	-	-
Agroholding Aksu LLP	-	-	-	-	-	-	-	-	-	-	200
Drug and Companiya LLP	213	-	242	-	-	278	-	-	194	-	-
Korma Vostoka LLP	472	351	-	-	-	242	-	327	-	314	302
KazFeed LLP	-	-	-	-	-	798	-	-	-	-	-
Germes 4 LLP	-	109	-	109	-	-	-	-	-	-	-
Krupy Vostoka LLP	140	128	128	-	116	-	-	-	-	-	-
Qazaq Land Agro LLP	-	-	-	-	-	-	290	339	-	-	266

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# Comparison with competitors in foreign markets



Price per tonne of ready-made feed as at September 2021, USD

Country	Ready-made poultry feed	Ready-made cattle feed	Ready-made pig feed	Hay	Corn silage	Extruded feed
Kazakhstan	275	216	227	73	45*	223
Russia	299*	280*	262*	63	21	345
Belarus	-	145	208	47	28	400
Ukraine	-	-	-	109	56	245
China	321	290	400	60	90	-
Poland	550	354	293	81	-	732
Germany	-	-	-	63	-	-

Price per tonne of grains as at September 2021, USD

Country	Wheat	Barley	Oat	Corn
Kazakhstan	193	148	91	221
Russia	164	130	114	185
Belarus	138	-	136	173
Ukraine	268	-	-	-
Kyrgyzstan	207	160	-	802
Germany	187	163	163	196
France	212	-	-	-

Price per ton of legumes and melons as at September 2021, USD

Country	Soybean	Fodder bean	Alfalfa	Fodder melon
Kazakhstan	599	567	235	55
Russia	582	737	207	69
Belarus	538	503	345	70
Ukraine	535	640	285	38
Kyrgyzstan	333	-	209	14
Germany	420	387	120	700
France	640	328	135	640

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\*data for 2020

Source: Kazakhstan Statistics Committee, Rosstat, Belstat, Mundus Agri, Commodity3

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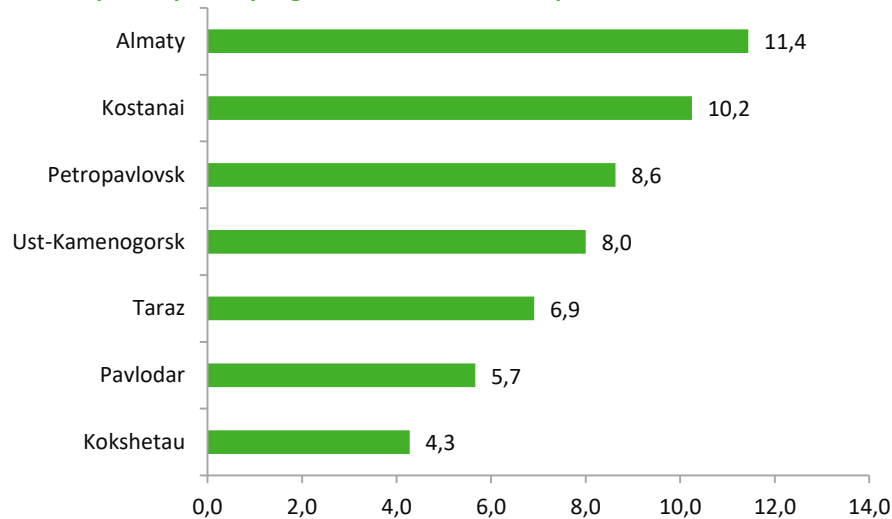
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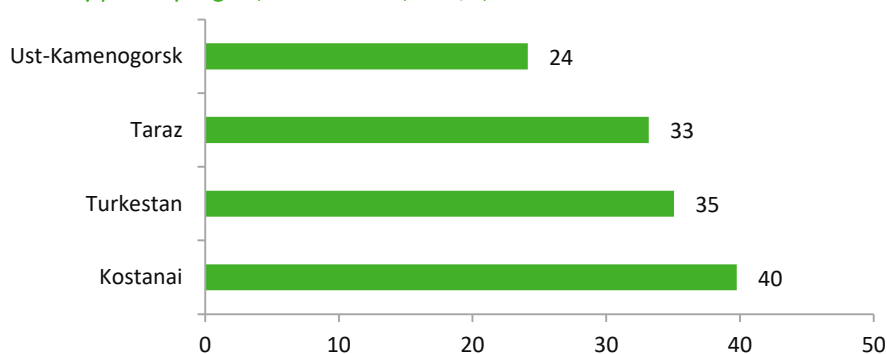
# State regulation of utilities tariffs



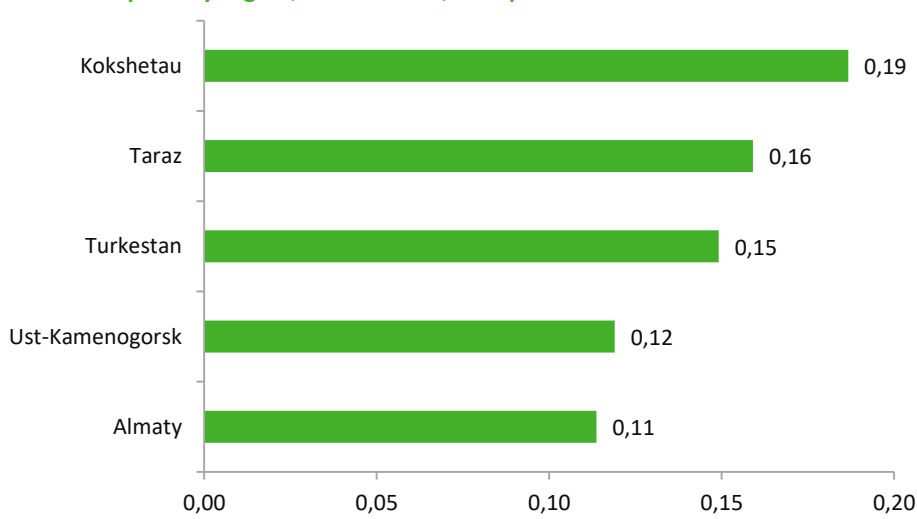
Thermal power price by region, in June 2021, USD per Gcal



Electricity price by region, in June 2021, USD/1,000 kWh



Cold water price by region, in June 2021, USD per m<sup>3</sup>



- Kazakhstan operates a state pricing policy for natural monopolies, and has also introduced the state regulation of prices and monitors pricing and entity obligations. Utilities are recognised as tariff services.
- As at June 2021, the average price per Gcal of thermal power in Kazakhstan cities was 8.0 USD.
- In June 2021, the average price for 1,000 KWH of electricity in Kazakhstan cities was 30.1 USD, while the price per m<sup>3</sup> of cold water was 0.18 USD.

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# Sector support within the framework of the National Project for Agriculture Industry Development



Draft Government Resolution *On the Approval of a National Project to Development the Agriculture Industry of the Republic of Kazakhstan in 2021-2025*

### Project goals:

- **Increase productivity by 250%.** The new economic policy is universal economic pragmatism built on principles of profitability, a return on investment and competitiveness. Knowledge and professional skills are key benchmarks in the modern staff training and retraining system.
- **Double the export of processed agriculture industry product.** The output of raw materials onto international markets has to be sped up as much as possible to prevent destabilisation following a new financial crash. The main Kazakhstan importers may significantly reduce their procurement of raw materials, while prices may fall drastically. An advanced strategy will accumulate funds before market destabilisation that the country can then use to ride a potential global crisis.
- **Introduce 350 thousand farms and households into the ecosystem.** Expand trading cooperation, and promote and protect national interest through active participation in international integrated associations; create favourable conditions for promoting Kazakhstan products; build a diversified and innovative economy and reform the agriculture industry to help it adapt to new conditions.
- **Create 70 thousand family farms.** Expand the opportunities to grow and develop small and medium-sized enterprises; and introduce new approaches to attracting investment.

- **Saturate the domestic market with food products (including socially significant food products) to a level of 80%.** Build a diversified and innovative economy.
- **Ensure a stable income for over 1 million rural residents.** Balance the regulation of entrepreneurial activities.
- **Provide jobs for up to 500 thousand people in rural communities.** Create a health and competitive environment.

### Project financing, billion USD

Index	2021	2022	2023	2024	2025
National budget	1.5	2.3	2.5	2.6	2.7
Total	1.5	2.3	2.5	2.6	2.7

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# Sector support from the Entrepreneurial Code



Entities realising or planning to realise investment projects with respect to priority activities according to Government Resolution No. 13 dated 14 January 2016 may receive state support stipulated by the Entrepreneurial Code and a number of state programmes.

## Types of state support stipulated in the Kazakhstan Entrepreneurial Code No. 375–V dated 29.10.2015

The Entrepreneurial Code provides for investment concessions based on investment project classification.

### Investment project

- Customs duty exemptions
- State grants
- Import VAT exemptions

### Priority investment project (create new production)

- Customs duty exemptions
- State grants
- Tax exemptions
- Investment subsidies

### Priority investment project (expansion of existing projects)

- Customs duty exemptions
- State grants
- CIT exemptions

### Special investment project

- Customs duty exemptions
- Import VAT exemptions

Source: Kazakhstan Entrepreneurial Code

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## Priority activities to implement investment projects within the framework of the Entrepreneurial Code

Section	Area	Class or subclass
01.1	Growing seasonal crops	Growing of grains (excluding rice), legumes and oilseeds
		Growing vegetables and melons, root crops and tubers
		Growing of other seasonal crops
01.6	Ancillary activities in agriculture (growing crops and breeding animals)	Treatment and preparation of seeds for propagation
10.9	Production of ready-made animal feed	Production of ready-made feed for farm animals
		Production of ready-made feed for pets

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# Sector support from the “Business Road Map 2025” Programme



- The Business Roadmap 2025 Program for business support and development aims to meet the goal of the public message of the President of Kazakhstan "Kazakhstan-2050 Strategy: a new political course of the established state" dated 14 December 2012. The program implements instruments of state support in the form of subsidies for part of the interest rate on loans / financial leasing agreements and loan guarantee agreements.
- The Programme provides for state grants and training for entrepreneurs aimed at supporting and developing small and medium-sized businesses in Kazakhstan.
- The objectives of the Programme are to ensure the sustainable and balanced growth of regional entrepreneurship, and maintain existing and create new permanent jobs.
- The Programme incorporates three directions:
  - support for new entrepreneur business initiatives in monotowns, small towns and rural settlements
  - industry support for entrepreneurs operating in priority sectors of the economy
  - non-financial measures to support entrepreneurship
- The Programme priority sector list includes crop production.
- 1 billion USD has been allocated to implement the Programme until 2025.

Programme conditions	
Eligible entities	Entrepreneurs/entities involved in industrial and innovative activities implementing and/or planning to implement their own projects in priority sectors of the economy
Loan rate	up to 14% per annum
Purpose of the projects	Investments, replenishment of working capital, refinancing; replenishment of working capital is allowed on a renewable basis
Guarantee amount	up to 2.4 million USD and up to 50% of the guarantee amount
Loan amount	up to 16.7 million USD
Subsidy period	up to 5 years

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# Sector support from the SIIDP 2020-2025 Programme



- The goal of this Programme is to develop Kazakhstan’s competitive manufacturing industry in domestic and foreign markets (Government Resolution No. 1050 dated 31 December 2019). During the Programme implementation period, the major focus is on the realisation of key export-oriented projects.
- Baiterek National Managing Holding is one of the main operators implementing Programme objectives such as increasing production volumes and expanding the range of processed goods in demand in domestic and foreign markets, as well as promoting technological development and digitalisation of manufacturing industries.
- Specifically, Baiterek continues as the operator of all repayable financial support measures through subsidiaries, and its powers include raising funds from external and internal debt and capital markets to provide preferential loans to manufacturers.

## Programme financing, million USD

Index	2020	2021	2022	2023	2024	2025
National budget	353.32	513.33	256.89	256.7	241.66	239.15
<b>Total</b>	<b>353.32</b>	<b>513.33</b>	<b>256.89</b>	<b>256.7</b>	<b>241.66</b>	<b>239.15</b>

## Project financing and lease financing through the SIIDP Programme

- 1) Lending through financial institutions will continue with interbank lending schemes through the Development Bank of Kazakhstan and Damu Entrepreneurship Development Fund.
- 2) Development Bank of Kazakhstan provides long-term financing by mixing 50/50 budget funds and commercial funds for a period of 20 years, with end borrower rates from 8%, with company participation in at least 20% of the project amount.
- 3) Interest rate subsidies for loans issued by financial institutions and loan liability guarantees provided with nominal interest of up to 15% per annum, pursuant to Government Resolution No. 820 dated 11 December 2018.

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# Industrial enterprise support



- QazIndustry is the single coordinator providing assistance to industrial enterprises at all stages - from technological solutions and new production lines to certification, export and the implementation of digital technology.
- The entity provides state financial support free of charge for Kazakhstan producers. These include innovative grants to commercialise technology, upgrade technology used by enterprises and industries, and reimburse certain types of costs to enterprises aimed at increasing work performance and promoting exports.

## Business support is provided by:

Reimbursing part of the costs of entities involved in industrial and innovative activities to promote domestic processed goods on foreign markets



Reimbursing part of the costs of entities involved in industrial and innovative activities to promote domestic processed goods domestically



Reimbursing part of the costs of entities involved in industrial and innovative activities to increase work performance and develop regional clusters



## Types of reimbursable costs on external markets

- overseas advertising of goods
- participation in overseas exhibitions, fairs and festivals
- publishing catalogues for distribution overseas (development and translation)
- maintaining representative offices, retail space and warehouses overseas
- registering trademarks (brands) overseas
- certifying goods overseas
- delivering goods by rail, road, air and sea; organising transportation

## Reimbursable costs on external markets

- no more than 13,000 times the minimum calculation index per entity
- historical reimbursement period is 32 months prior to the date of application

40% Large businesses

50% Medium-sized businesses

60% Small businesses

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# Sector support within the framework of the “Saving Simple Things” Programme



- The goal of the “Saving Simple Things” Programme is to saturate the domestic market with domestic goods, raise the competitiveness of the manufacturing industry, and, above all, release a wide range of consumer goods.
- The credit facility is made available to business projects implemented in priority sectors of the economy in accordance with an approved list of goods for credit financing of priority projects, which includes the food industry. Within the Programme framework, the state subsidises bank loan interest rates.
- The Project operator is Damu. According to the operator, 171 projects were subsidised for 168.5 million USD in 2019 (subsidies paid amounted to 2.9 million USD). In 2020, 169 projects were subsidised for 229.8 million USD (subsidies paid amounted to 6.5 million USD).
- According to the Atameken National Chamber of Entrepreneurs, approved projects include the production of consumer goods such as furniture (kitchen furniture, couches, garden chairs, beds, drawers and others); clothing (jackets, suits, blouses, shoes, overalls, etc.); food products (pasta, bakery products, meat and sausages, dairy products, confectionery, etc.); chemicals (fertilizers) and building materials (bricks, cement), as well as service facilities (construction of kindergartens, preschool institutions, sanatoriums, hotels, rehabilitation centres and recreational compounds) and others.

Programme conditions	
Eligible entities	private businesses (small, medium-sized and large businesses)
Loan interest rate	15% per annum
Subsidised amount	up to 9% of the nominal interest rate
Purpose of projects	investments and replenishment of working capital; replenishment of working capital is allowed on a renewable basis
Maximum amount per borrower	unlimited
Subsidy period	for investment – 10 years, without further extension
	to replenish working capital – 3 years, without further extension
Loan refinancing	not stipulated
Current loans	loans issued by banks after government resolution No. 820 dated 11 December 2018 entered into force are allowed

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### Cattle feed market

- The cattle feed market was estimated at US\$ 73.5 billion in 2020 and is to reach US\$ 78.3 billion by 2027, with CAGR of 4.4% over 2021–2027. The Asia-Pacific region dominated the market in 2020, accounting for almost 42% of the total market share.

### Major producers of feed and compound feed

- According to the International Feed Industry Federation, the global production of compound feed has reached approximately 1 billion tonnes per year. The top eight countries include China, USA, Brazil, Russia, India, Mexico, Spain and Turkey. They account for 55% of the global feed production and house 59% of the world's feed mills. The annual turnover of the global commercial feed production is more than US\$ 400 billion. Commercial production or sale of ready-made feed products is established in more than 130 countries.

### Increased demand for feed

- The increase in demand for livestock feed is mainly driven by the low price of feed seed compared to other feeds such as wheat bran and oilseeds. No synthetic fertilisers and pesticides are used for feed seeds, which helps to improve and maintain the soil quality. Global Research & Data Services forecasts feed demand of US\$ 852 billion in 2025.

### Impact of COVID-19 on the feed market

- Although the demand for animal feed was relatively stable in 2020, the pandemic has had a negative impact on supply. To control the spread of the disease, many countries have taken various measures. For example, the economies of many Southeast Asian countries are supported by migrant workers. Due to strict isolation measures, migrants workers began to return to their homelands. This factor negatively impacted the value chain. Thus, the main feed producers were left without workforce. In addition, the Indian government has ordered the partial closure of its international ports, provoking further disruptions in the animal feed supply chain.

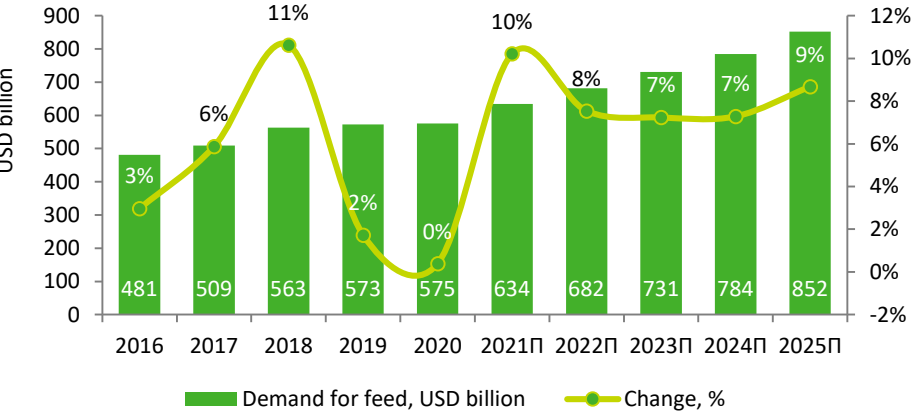
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# Global demand for animal feed



Global demand for animal feed, 2016-2025



- In 2020, the demand for animal feed was US\$ 575 billion. CAGR of demand for animal feed in the period between 2016 and 2020 was 4.6%. According to Global Research & Data Services forecasts, demand for animal will be US\$ 852 billion in 2025 with CAGR of 7.7% over the period from 2021 to 2025.

Major global producers of feed



- Cargill** is one of the largest American food companies. The company is engaged in the sale of grains, feed, butter, sugar, cocoa products, beef, pork, chicken meat, etc. The company is a major producer of agricultural products and operates in 68 countries of the world.
- The production capacity is 19 million tonnes of feed per year.



- Tyson Foods Inc.** is one of the world's major food and protein companies. The company is the second largest chicken, beef and pork processing enterprises in the world, after JBS S.A. The company also produces feed for all types of animals.
- Production capacity is 10 million tonnes of feed per year.



- Nutreco N.V.** is a Dutch producer of all kinds of animal feed, fish feed and meat products. Nutreco supplies animal and fish feed to over 90 countries worldwide. Nutreco operates 15 production plants in Europe, 17 animal feed plants in the United States and 3 production plants in Asia.
- The production capacity is 9 million tonnes of feed per year.



- New Hope Liuhe Co., Ltd.** is one of the world's leaders in the animal feed of all kinds. The company is also engaged in financial investments and trade. The company operates in China, as well as in Vietnam, the Philippines, Bangladesh, Indonesia, Singapore, Egypt and 20 other countries.
- Production capacity is 10 million tonnes of feed per year.

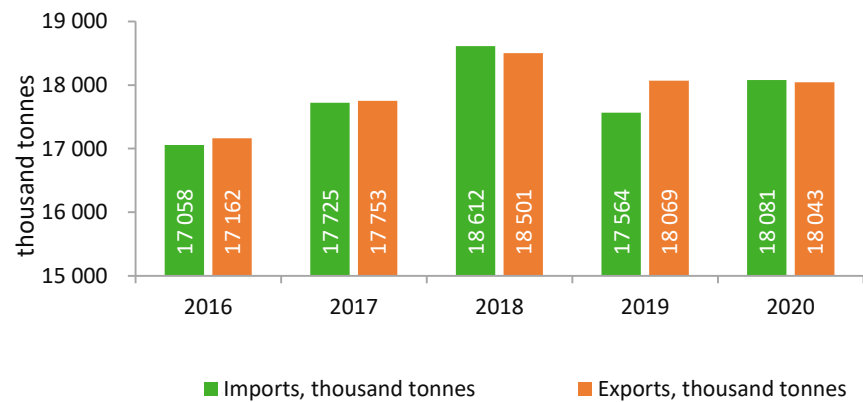
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# Exports and imports of animal feed

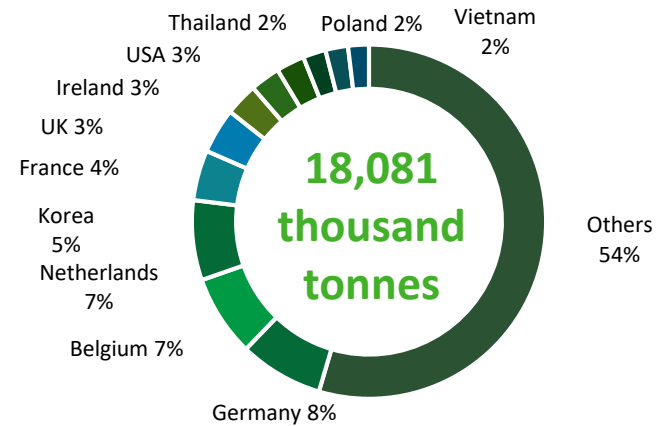


Changes in global exports and imports of animal feed, 2016-2020

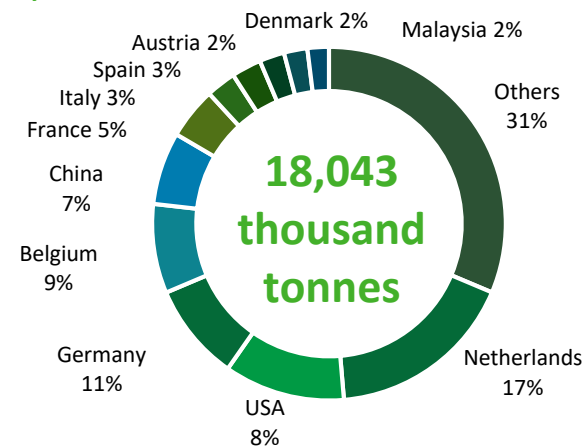


- Global exports and imports of animal feed in 2016-2020 were unstable. In the period from 2016 to 2018, the volumes of exports and imports showed a positive trend, increasing by 8% and 9%, respectively. After 2018, there was a slight decline in both positions – exports decreased by 2%, imports - by 3%. In 2020, exports amounted to 18,043 thousand tonnes, while imports - 18,081 thousand tonnes.
- The main importers of animal feed in 2020 were Western European countries such as Germany, Belgium, the Netherlands, France and others. The same countries, as well as the USA and China, were also major exporters of animal feed.

Feed importers by countries in 2020



Feed exporters by countries in 2020



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## Attractive investment climate:

- The agriculture industry, including crop production, is a priority sector for the Kazakhstan economy.
- Concessionary economic conditions exist for reducing the financial burden on enterprises based on the following programmes:
  - Development of the Agriculture Industry 2017-2021
  - Sector support within the framework of the National Project for Agriculture Industry Development 2021-2025
  - Order of the Minister of Agriculture No. 107 dated 31 March 2020, registered with the Ministry of Justice as No. 20209 *On the Approval of Rules for Subsidising Yield and the Quality of Plant Breeding Product*
  - Other state support measures including cheap loans to purchase agricultural technology and equipment, and others.

## Work force requirements

- 2016-2020 saw a rise in the economically active population.
- The economically active population of Kazakhstan aged over 15 in 2020 was 9.2 million persons, which is 48% of the total population of Kazakhstan.
- According to the EIU, this figure should reach 9.7 million by 2024.
- Southern regions of the country are the most densely populated with a cheaper work force.

## Availability of raw materials and advantageous location:

- Kazakhstan is known for its vast arable land and natural pastures for the production of competitive agricultural products in excess of its own needs. The country is a major exporter of grains and oilseeds, which form the basis of feed production.
- In 2020, the sowing area of all agricultural crops amounted to 22.7 million hectares, of which 3.3 million hectares were areas for growing feed crops, 15.9 million hectares for grain and leguminous crops and occupied 2.9 million hectares for oilseed crops.
- Large sowing areas, water resources and favourable climatic conditions create the basis for the high potential of the industry.

## The industry's main problem is imports dependence:

- Given the closed borders, limited cargo transportation, fluctuations in national currencies and a decrease in production in the world, the country's ability to provide itself with food is of great importance. It is obvious that the agriculture plays a leading role in the country's food security. But, despite the state support, positive changes in the industry are slow and a number of systemic problems remain. In particular, modern feed is needed for efficient livestock breeding. Feed production requires components that are not produced in Kazakhstan: there is a steady imports dependence on various types of concentrated feed, compound feed and their additives.

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<b>JSC</b>	joint stock company
<b>GDP</b>	gross domestic product
<b>Gcal</b>	gigacalorie
<b>USD</b>	US Dollar
<b>EAEU</b>	Eurasian Economic Union
<b>EU</b>	European Union
<b>kWh</b>	kilowatt-hour
<b>CIT</b>	corporate income tax

<b>n/a</b>	not applicable/not available
<b>VAT</b>	value added tax
<b>LLC</b>	limited liability company
<b>F</b>	forecast (in graphs and tables)
<b>LLP</b>	limited liability partnership
<b>CAGR</b>	Compound Annual Growth Rate
<b>EIU</b>	The Economist Intelligence Unit

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