

ONLINE



**KAZAKH
GRAIN UNION**

GRAIN CONFERENCE

CEREALS, OILSEEDS, PULSES:

2019/2020 season results and 2020/2021 season perspectives

Nur-Sultan, September 28, 2020



CEREALS, OILSEEDS, PULSES: 2019/2020 season results and 2020/2021 season perspectives



MODERATOR

**Mr. Nurlan
OSPANOV**

Chairman of the
Kazakh Grain Union

Cereals. 2019/2020 season results and 2020/2021 season perspectives. Problematic issues.

Mr. Alexander Malov, Director General of the VKZ-Agro LLP

Oilseeds. 2019/2020 season results and 2020/2021 season perspectives. Problematic issues.

Mr. Eugeni Karabanov, Founder of the Northern Grain group of companies

Pulses. 2019/2020 season results and 2020/2021 season perspectives. Problematic issues.

Mr. Kintal Islamov, Chairman of the Board of the Atameken-Agro JSC

2020 harvest quality of cereals and pulses. Problematic issues.

Mrs. Gulmira Abisheva, Director General of the Baltic Control Kazakhstan LLP

Export quality requirements for oilseeds and products of their processing.

Mr. Zhandos Esmagul, Business development manager of the SGS Kazakhstan Ltd



CEREALS, OILSEEDS, PULSES: 2019/2020 season results and 2020/2021 season perspectives



SPEAKER

**Mr. Alexander
MALOV**

Director General
of the VKZ-Agro LLP

**CEREALS. 2019/2020 season results and
2020/2021 season perspectives.
Problematic issues.**



Soft wheat supply and demand balance in 2018-2021

		2018-2019	2019-2020	2020-2021 *forecast
Production				
Sown area	Mln. Ha	11,36	11,39	11,38
Yield	Tons per Ha	1,3	1,05	1,13
Supply				
Production	Mln. tons	15,1	12,0	12,9
Loss allowance (refaction)	Mln. tons	1,51	1,20	1,29
Production after refaction	Mln. tons	13,6	10,8	11,6 ↑
Beginning stocks	Mln. tons	1,5	0,8	0,8
Import	Mln. tons	0,4	1,5	0,7
Total supply	Mln. tons	15,5	13,1	13,0
Demand				
Domestic consumption	Mln. tons	6,3	5,7	5,4
Wheat export	Mln. tons	6	4,9	4,9
Flour export	Mln. tons	2,4	1,7	1,8
Total export	Mln. tons	8,4	6,6	6,7 ↑
Total demand	Mln. tons	14,7	12,3	12,1
Ending stocks	Mln. tons	0,8	0,8	0,9

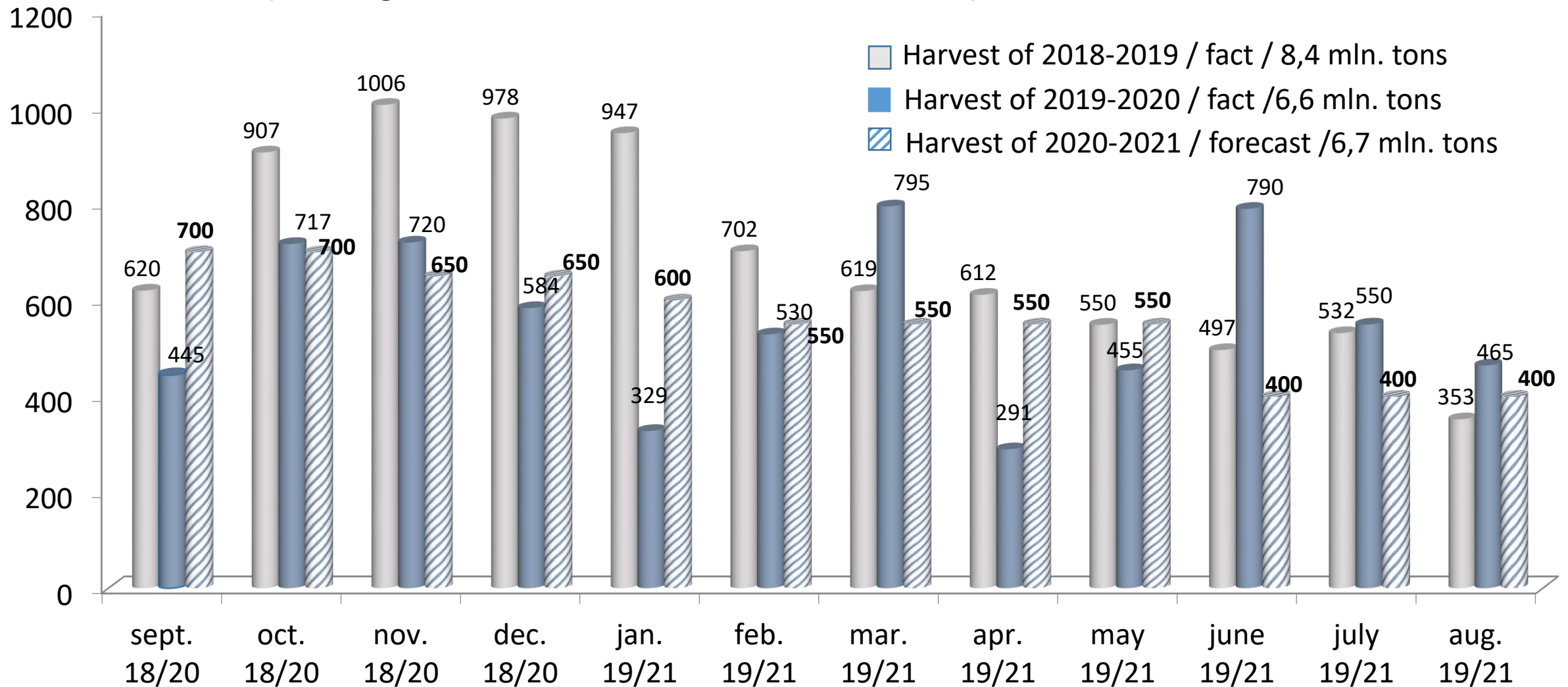
Durum wheat supply and demand balance in 2018-2021

		2018-2019	2019-2020	2020-2021 *forecast
Production				
Sown area	Ths. Ha	481	420	380 ↓
Yield	Tons per Ha	1,52	1,3	1,4
Supply				
Beginning stocks	Ths. tons	64	65	32
Production*	Ths. tons	731	546	532
Import	Ths. tons	7	46	5
Total supply	Ths. tons	802	657	569 ↓
Demand				
Domestic consumption	Ths. tons	138	134	143
Durum wheat export	Ths. tons	599	491	400 ↓
Total demand	Ths. tons	737	625	543
Ending stocks	Ths. tons	65	32	26

*deducting 5% of the loss allowance

Wheat export by months in 2018-2020

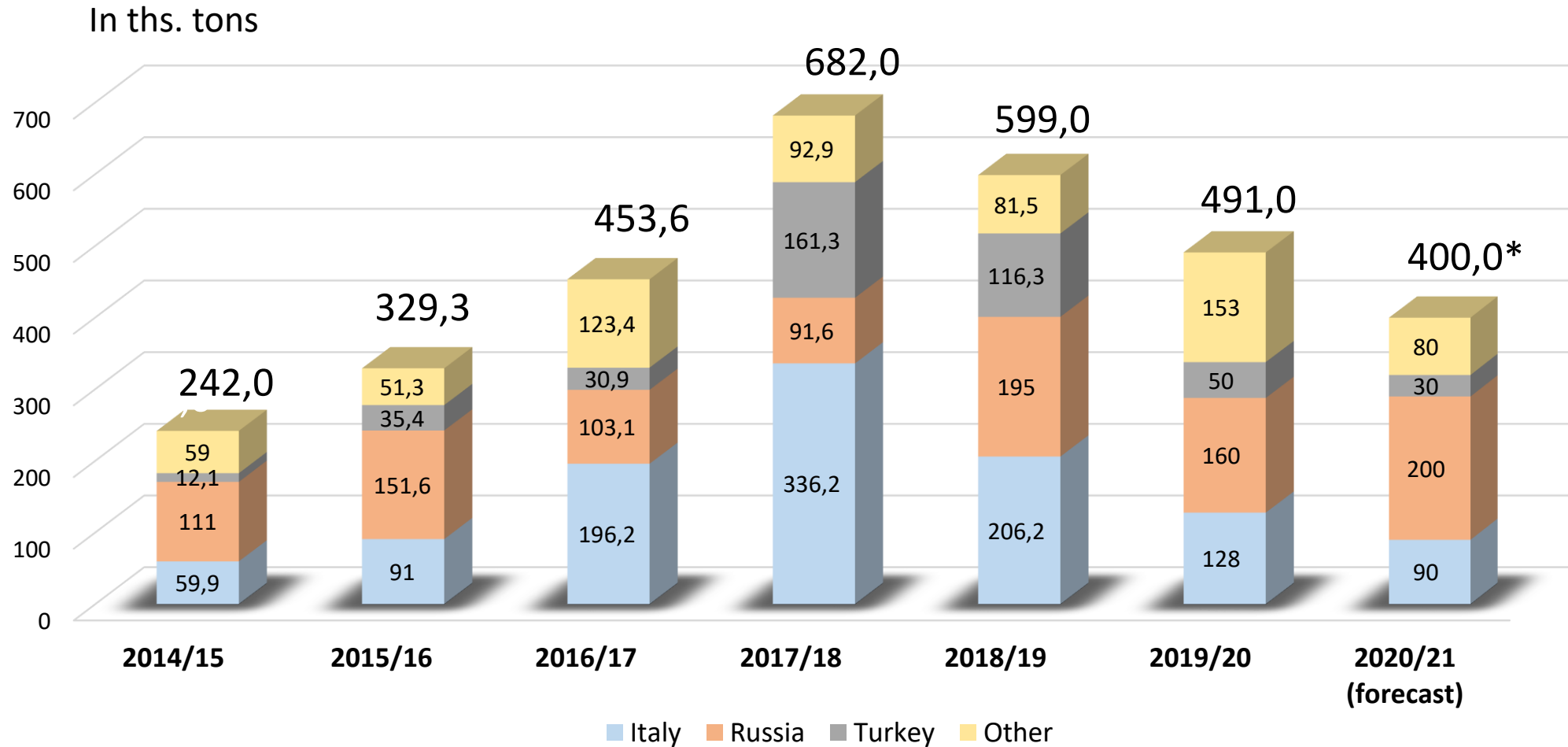
In ths. tons (including durum wheat and flour converted to wheat)



Wheat export by destinations in 2018-2020

	2019-2020		2020-2021 *forecast	
	Wheat, ths. tons	Flour converted to wheat, ths. tons	Wheat, ths. tons	Flour converted to wheat, ths. tons
Uzbekistan	2 086	466	2 100 ↑	570 ↑
Tajikistan	1123	179	1100 ↓	150 ↓
Afghanistan	600	950	800 ↑	1000 ↑
Russia	286	10	200 ↓	
China	246	10	300 ↑	
Kyrgystan	139	44	50 ↓	20 ↓
Italy	128		90 ↓	
Turkmenistan	127	40	100 ↓	20 ↓
Azerbaijan	20			
Other countries	155		200	
TOTAL	4 910	1 699	4 940 ↑	1 760 ↑
WHEAT with FLOUR	6 609		6 700	

Durum wheat export by destinations in 2018-2020



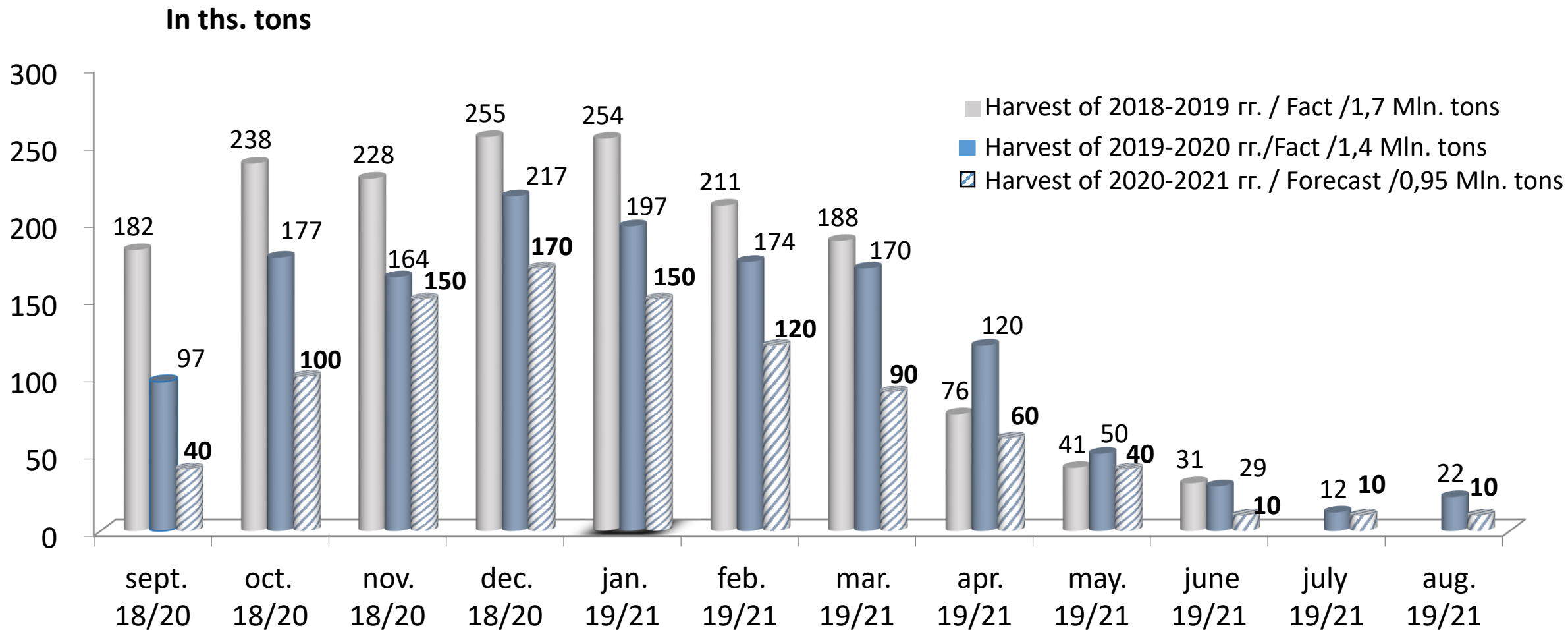
* According to the data of the Statistics Committee of Kazakhstan and Kazakh Grain Union

Barley supply and demand balance in 2018-2021

		2018-2019	2019-2020	2020-2021* forecast
Production				
Sown area	Mln. Ha	2,5	3	2,7 ↓
Yield	Tons per Ha	1,5	1,12	1,2
Supply				
Production	Mln. tons	3,7	3,4	3,3
Loss allowance (refaction)	Mln. tons	0,15	0,1	0,1
Production after refaction	Mln. tons	3,5	3,3	3,2 ↓
Beginning stocks	Mln. tons	0,4	0,4	0,4
Import	Mln. tons	0,3	0,01	0,01
Total supply	Mln. tons	4,2	3,7	3,6
Demand				
Domestic consumption	Mln. tons	2,1	1,9	2,3*
Export	Mln. tons	1,7	1,4	0,95 ↓
Total demand	Mln. tons	3,8	3,3	3,25
Ending stocks	Mln. tons	0,4	0,4	0,3

- During the current season we see the low volumes of feed wheat, therefore we expect the raise of domestic consumption of barley due to feed purposes

Barley export by months in 2018-2020



Barley export by destinations in 2018-2020

	2018-2019	2019-2020	2020-2021* forecast
	Barley, ths. tons		
Iran	1550	1180 ↓	550 ↓
China	50	50	220 ↑
Uzbekistan	85	80 ↓	100 ↑
Russia	36	40 ↑	30 ↓
Other countries	5	50	50
TOTAL	1726	1400	950

2020-2021 season perspectives for wheat

- In the current season Kazakhstan will still be present on its sales markets - Uzbekistan, Tajikistan, Afghanistan;
- The unusually high quality of the harvest in 2020 will allow Kazakh exporters to guarantee the supply of grain with high quality indicators;
- There will be high competition on the traditional sales markets, which will not allow the domestic price to continue its rapid growth ;
- The Siberian-Altai zone will have a slightly less impact on pricing in Kazakhstan, which was typical for the last year - due to a decrease in production and a high purchase price in the Russian Federation, as well as the introduction of JSC “NC “KTZH” additional costs for transporting imported grain from Russia through Kazakhstan to Central Asia;
- We will monitor the prices of the russian wheat recalculated to the Central Asian market, taking into account direct transit through Kazakhstan. The export price of Kazakh wheat will depend on this;
- We expect that the price for food wheat of 3rd grade will be at the level of 85-95 thousand tenge, VAT included.

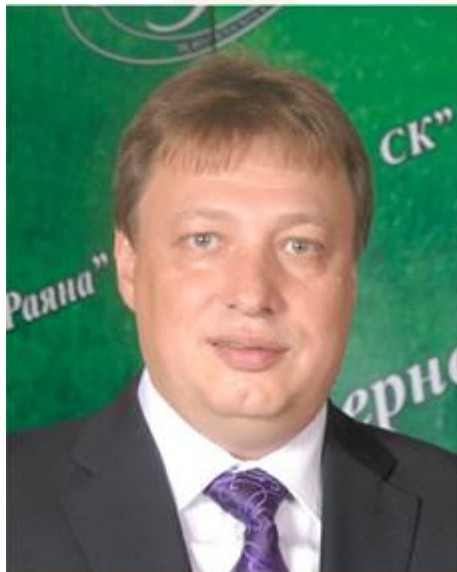
2020-2021 season perspectives for barley

- This season, the main buyer of Kazakh barley, Iran, has great difficulties in financing the purchase and import of barley, in this connection we expect a significant decrease in demand for our forage from this importer. We expect that in October-November Iran will enter the purchase, but the total volume will be much less than previous years;
- A new player appears - China. We talked about this at the **KazakhGrainExport 2019** conference, which took place on September 19-20, 2019 in the city of Istanbul. We see an active presence of Chinese buyers, which will have a positive effect on the Kazakh grain market. In 2-3 years we forecast exports to China of up to 1 million tons of barley;
- We expect that the price of feed barley will be in the range from 52 to 57 thousand tenge including VAT.

Problematic issues

- One of the acute problems at the moment is the policy of JSC "NC "KTZh" towards increasing the cost of the tariff for the transportation of imported Russian grain from Kazakhstan to Central Asia, which only contributes to the development of illegal imports from Russia. Gray dealers, forging certificates of origin, are becoming more competitive than official importers, who, paying all taxes on the import of Russian grain, will be obliged to pay an expensive transit tariff ;
- We expect difficulties with VAT refunds after tax audits due to the general economic situation in the country;
- There is still a problematic issue - illegal imports from Russia. In this connection, we assume that most amount of 700 thousand tons of imports will be imported illegally;
- This season we see serious financial difficulties in Iran;
- Due to the low throughput capacity of the Kazakhstan / China border crossings, we predict difficulties with the export of wheat and barley, which may not allow achieving high indicators in this direction;
- The innovation of the Exchange Committee in the form of compulsory registration on the exchange of 5-15% of grain turnover, in our opinion, will be an additional tax on small farms, and the obligation of Kazakh grain importers to conclude agreements with brokerage companies to participate in the double counter anonymous auction will further complicate the situation on the export market Kazakhstan;
- The volatility of the Kazakh tenge and the Russian ruble this season will also affect the pricing on both domestic and export market, so we closely monitor the exchange rates.

CEREALS, OILSEEDS, PULSES: 2019/2020 season results and 2020/2021 season perspectives



SPEAKER

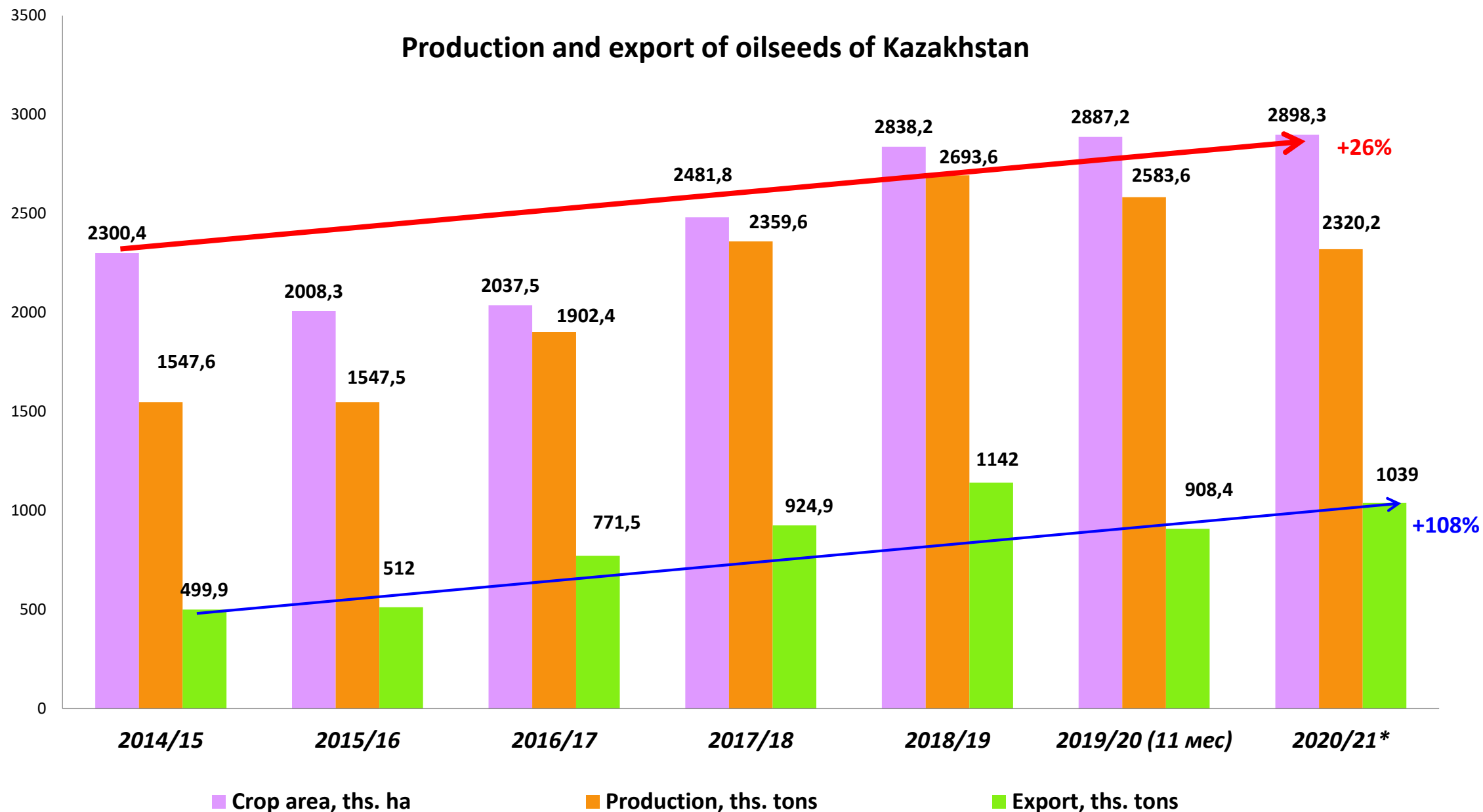
**Mr. Eugeny
KARABANOV**

Founder of the
Northern Grain
group of companies

**OILSEEDS. 2019/2020 season results and
2020/2021 season perspectives.
Problematic issues.**



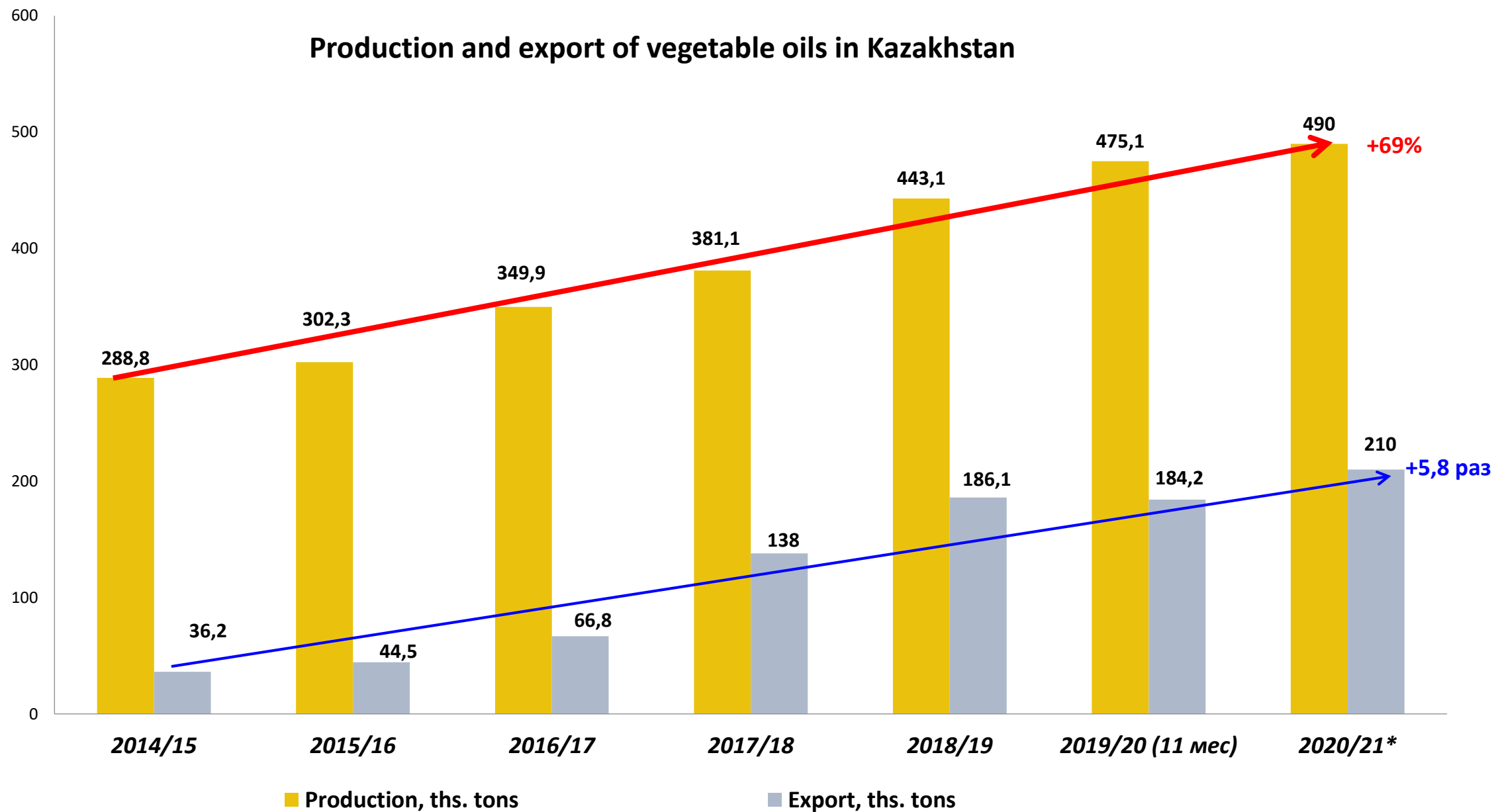
Production and export of oilseeds of Kazakhstan



The data of Statistics committee of the Republic of Kazakhstan

* Harvest and export of the season 2020/21 – the forecast of the Kazakh Grain Union

Production and export of vegetable oils in Kazakhstan



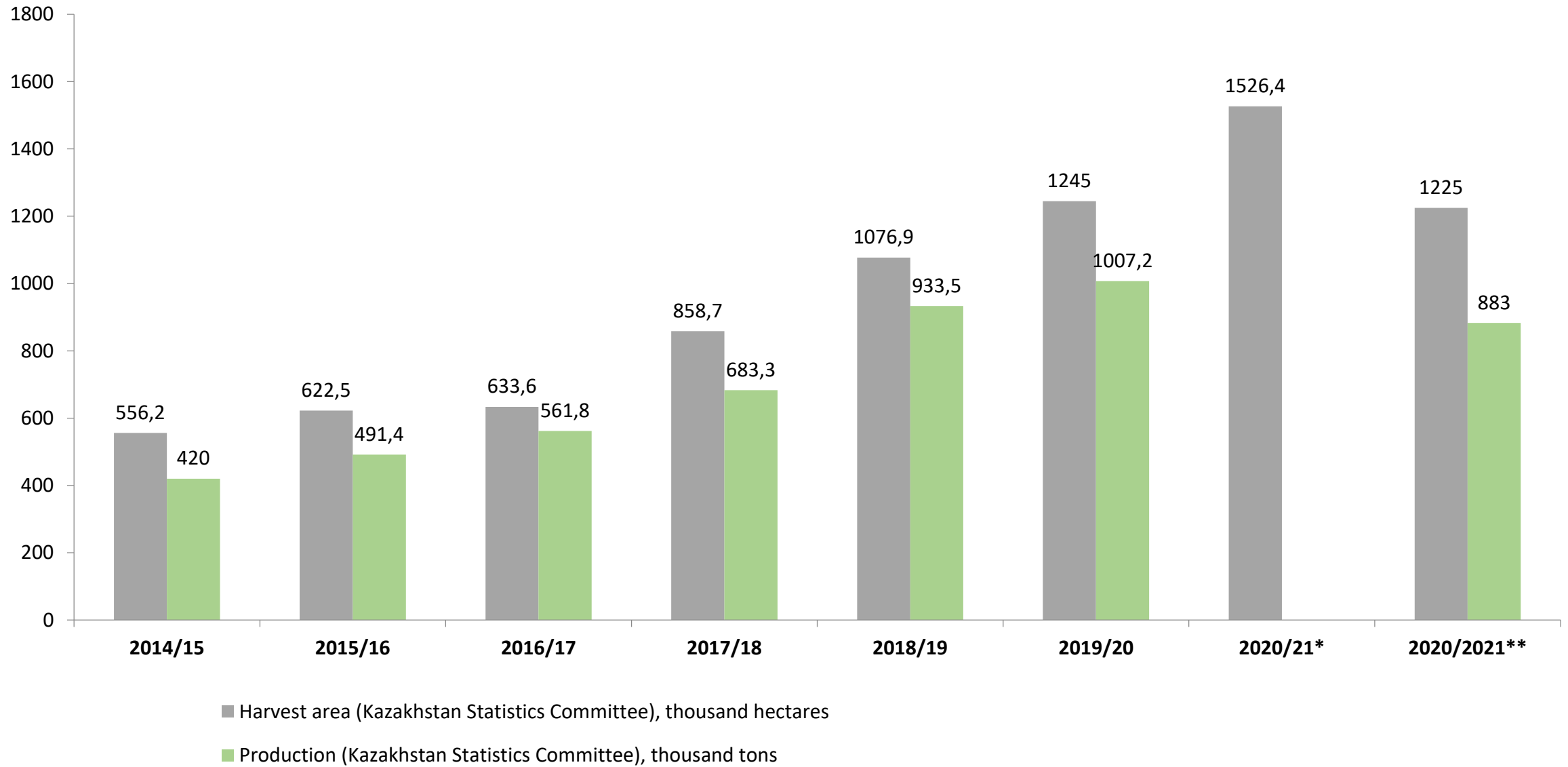
The data of Statistics committee of the Republic of Kazakhstan

* The season 2020/21 – the forecast of the Kazakh Grain Union

Flax seeds



Harvest area & Production of Kazakh flax seed



* Regional Department of Agriculture data

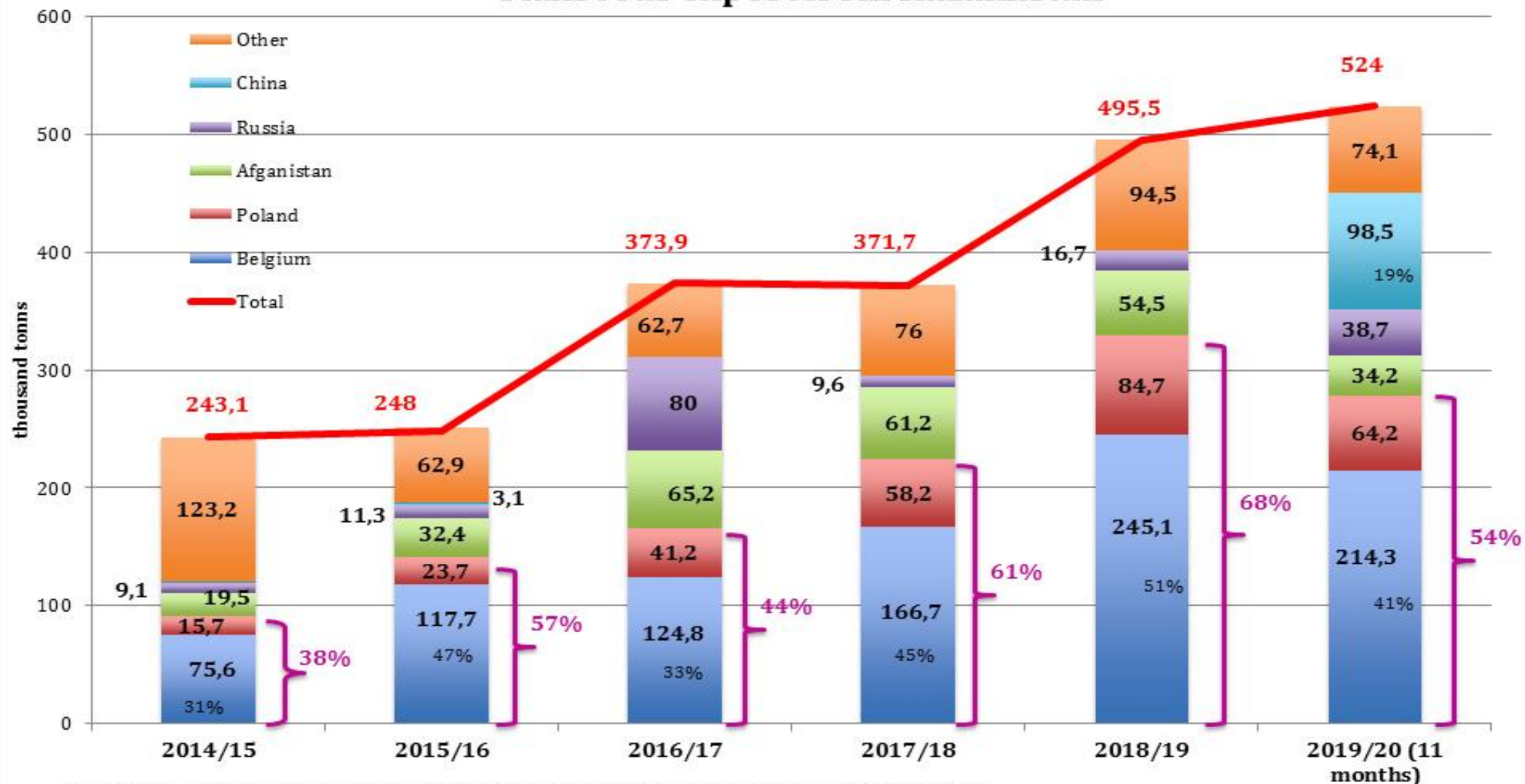
** Our rating

Sown areas, harvesting areas, yield and production of flax seeds among the regions of Kazakhstan in 2019-2020

	2019 (Statistics committee) harvesting area, ths. ha	2019 (Statistics committee) yield, tons per hectare	2019 (Statistics committee) production, ths. tons	2020 (regional divisions of agriculture) Sown area, ths. ha	2020 (Statistics committee) Sown area, ths. ha	2020 (KGU* estimations) harvesting area, ths. ha	2020 (KGU* estimations) yield, tons per hectare	2020 (KGU* estimations) production, ths. tons
Akmola region	161,4	0,69	111,5	142,8	163,6	155	0,69	107
Kostanay region	381,9	0,54	204,8	514,3	515,5	460	0,62	285
North-Kazakhstan region	668,4	1,0	669,9	598,4	804,2	570	0,82	467
Other regions	33,3	0,63	21	40,8	43,1	40	0,6	24
Total, Kazakhstan	1245	0,81	1007,2	1296,3	1526,4	1225	0,72	883

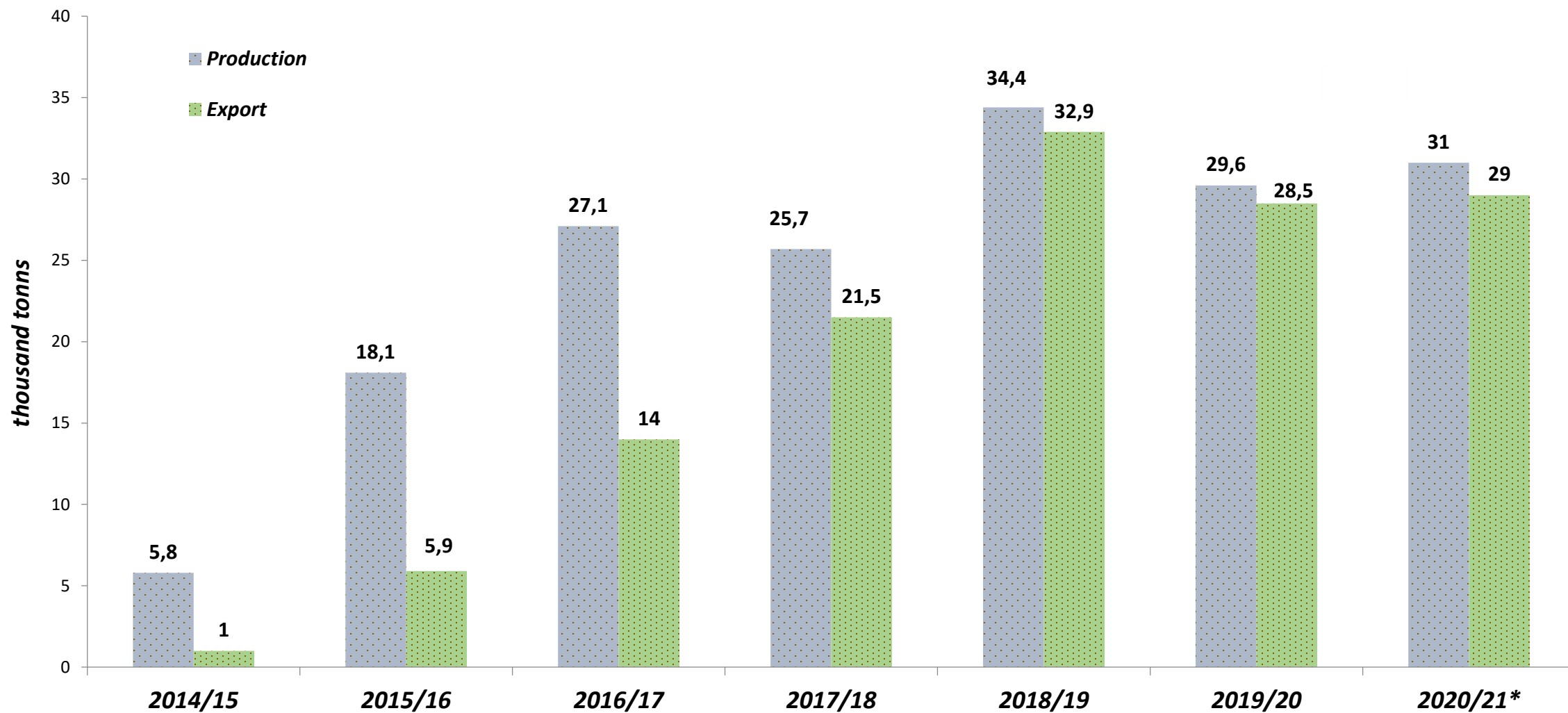
* KGU - Kazakh Grain Union

Flaxseeds export from Kazakhstan



data from the Department of Customs Control of the Ministry of Finance of the Republic of Kazakhstan

Production and export of Flaxseed oil from Kazakhstan

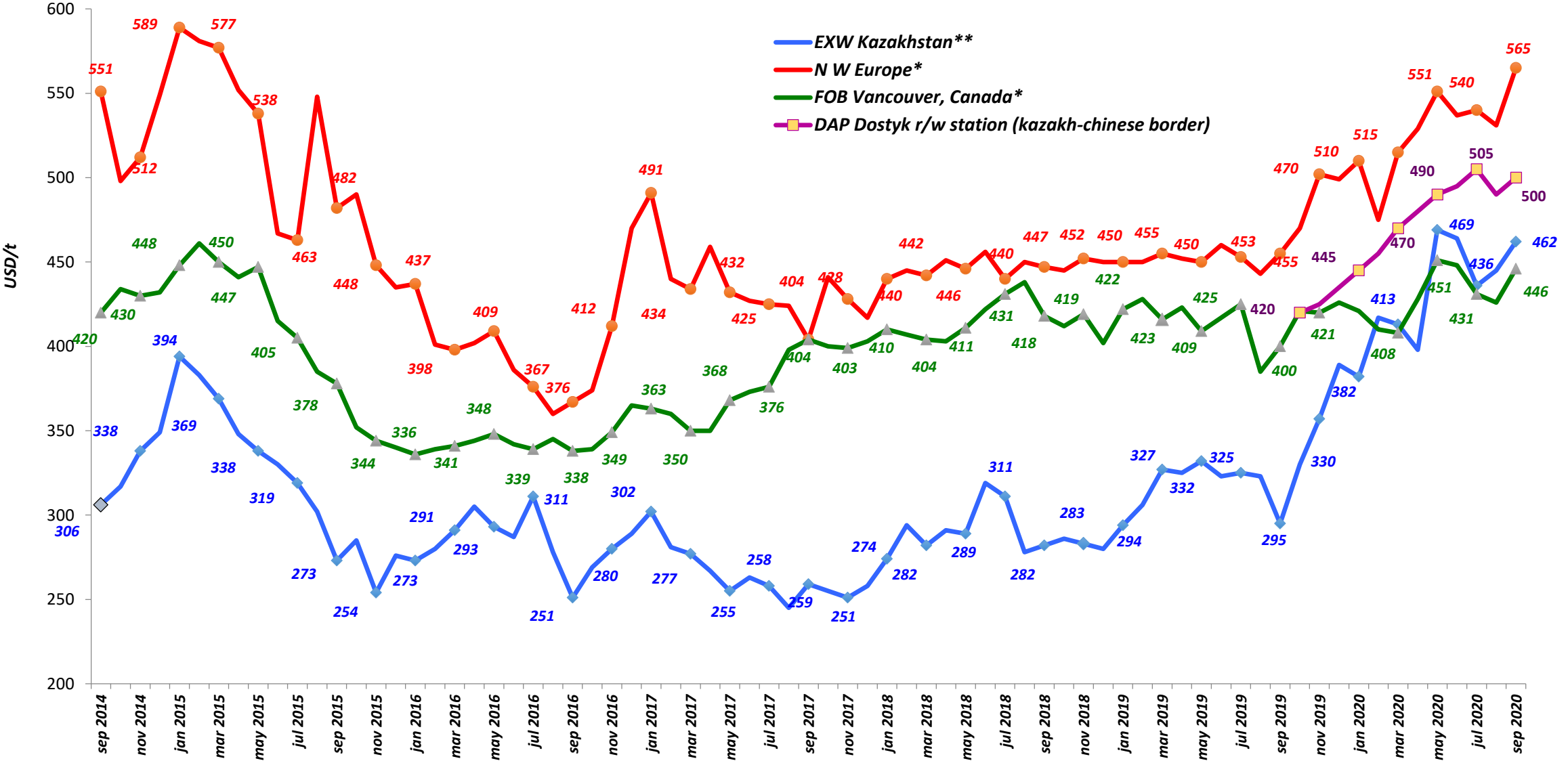


production - data of the Committee on Statistics of the Republic of Kazakhstan

export - data from the Department of Customs Control of the Ministry of Finance of the Republic of Kazakhstan

*our rating

Average monthly flaxseeds prices



* Oil World data
** Kazakh Grain Union data

Kazakh flaxseed balance

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Sown area (Kazakhstan Statistics Committee), thousand hectares	709,4	629,0	650,6	869,7	1103,6	1286,6	1526,4
Harvest area (Kazakhstan Statistics Committee), thousand hectares	556,2	622,5	633,6	858,7	1076,9	1245	1215**
Starting stocks (Our rating), thousand tons	4,0	29,3	44,7	6,7	23,9	45,5	26,7
Harvest productivity, tons per hectare	0,75	0,79	0,89	0,80	0,87	0,81	0,72**
Production (Kazakhstan Statistics Committee), thousand tons	420,0	491,4	561,8	683,3	933,5	1007,2	875**
Dockage (Our rating), thousand tons	77,8	97,3	72,9	98,6	198,4	274	148**
Conditioning production (Our rating), thousand tons	342,2	394,1	488,9	584,7	735,1	733,2	727**
Import, thousand tons*	2	8,7	7,5	4	3	9*	7**
Total offer, thousand tons	348,2	432,1	541,1	595,4	762,0*	787,7*	760,7**
Domestic consumption (Our rating), thousand tons, incl.:	75,8	139,4	160,5	199,8	221	222*	207**
seeds	45,0	48,6	56,9	79,3	71	85*	72**
processing	22,0	68,1	98,6	104,0	111*	102*	105**
others	8,8	22,7	5	16,5	39*	35*	30**
Export (Department of Customs Control of the Ministry of Finance of the Republic of Kazakhstan), thousand tons	243,1	248,0	373,9	371,7	495,5	539*	535**
End stocks, thousand tons	29,3	44,7	6,7	23,9	45,5	26,7*	18,7**

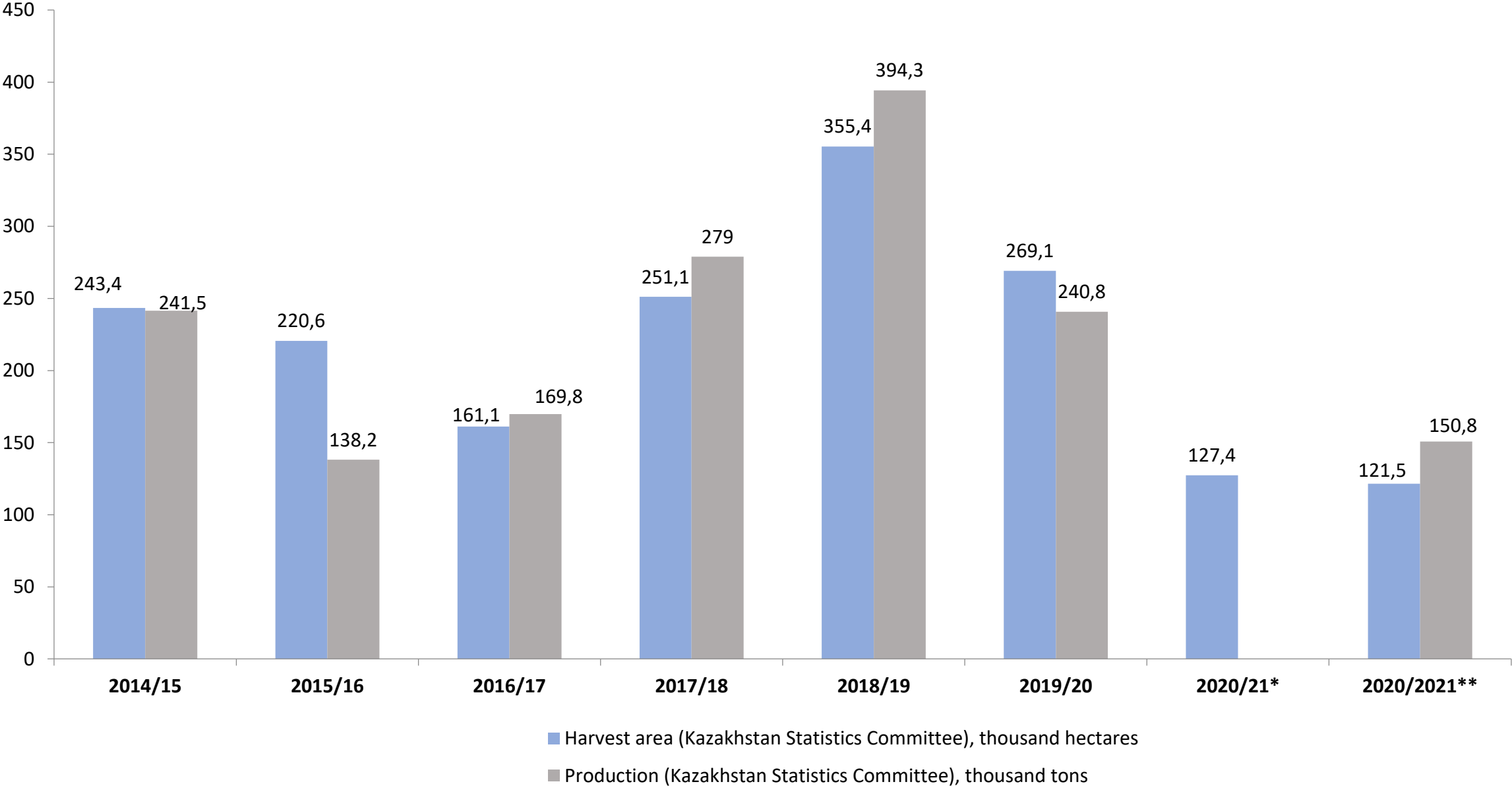
*assessment

**forecast

Rape seeds



Harvest area & Production of Kazakh Rapeseeds



* Regional Departament of Agriculture data

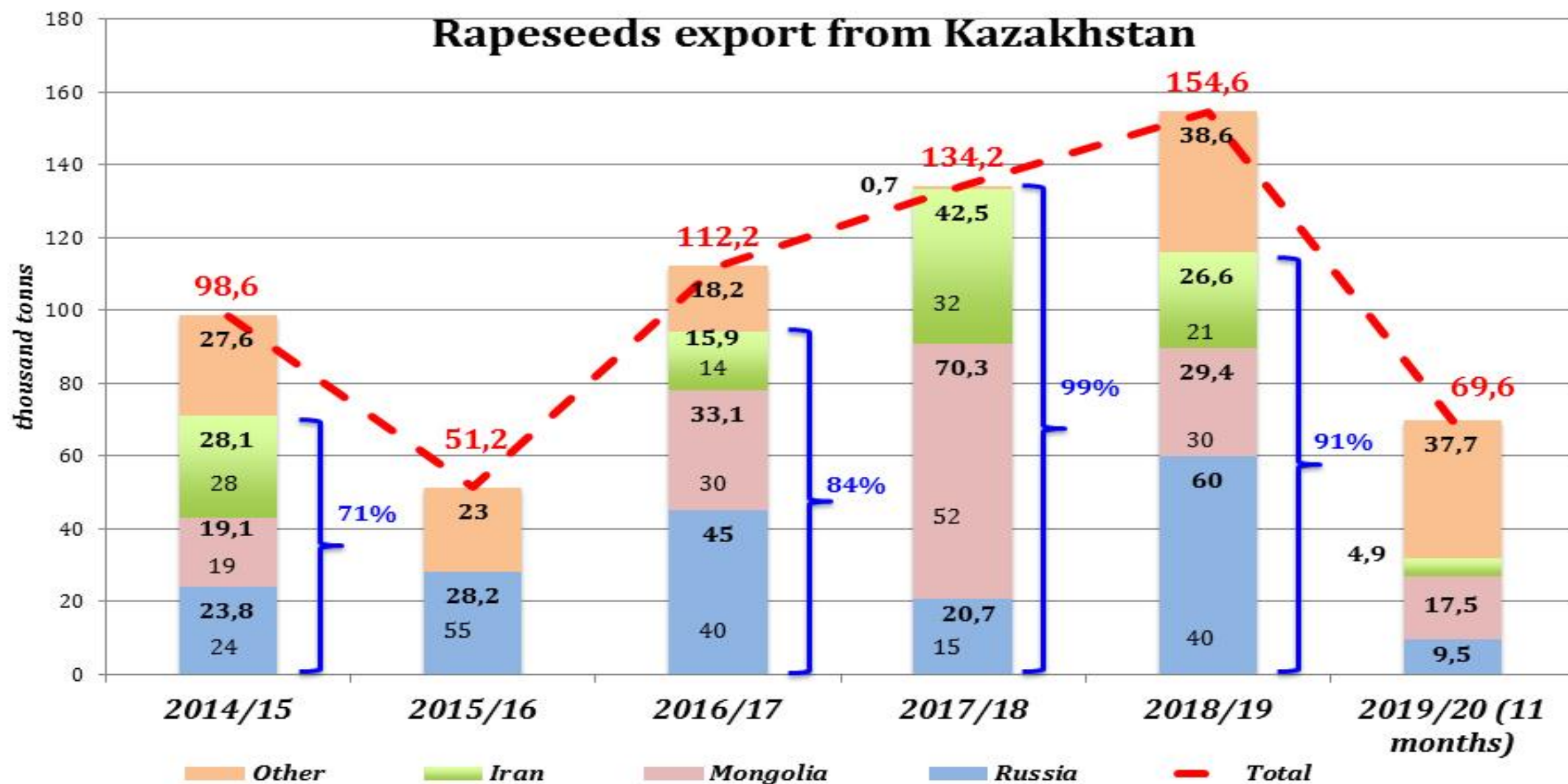
** Our rating

Sown areas, harvesting areas, yield and production of rape seeds among the regions of Kazakhstan in 2019-2020

	2019 (Statistics committee) harvesting area, ths. ha	2019 (Statistics committee) yield, tons per hectare	2019 (Statistics committee) production, ths. tons	2020 (regional divisions of agriculture) Sown area, ths. ha	2020 (Statistics committee) Sown area, ths. ha	2020 (KGU* estimations) harvesting area, ths. ha	2020 (KGU* estimations) yield, tons per hectare	2020 (KGU* estimations) production, ths. tons
Akmola region	46,7	0,64	29,7	32,3	18,6	17,3	1,03	17,8
Kostanay region	25,1	0,38	9,6	43,5	14,7	12	0,72	8,6
East-Kazakhstan regions	21,3	13,7	29,2	15,9	12,6	12	1,25	15
North-Kazakhstan region	172,6	0,98	169,1	177,4	80,2	79	1,37	108,2
Other regions	3,4	0,94	3,2	7	1,3	1,2	1,0	1,2
Total, Kazakhstan	269.1	0,89	240,8	276,1	127,4	121,5	1,24	150,8

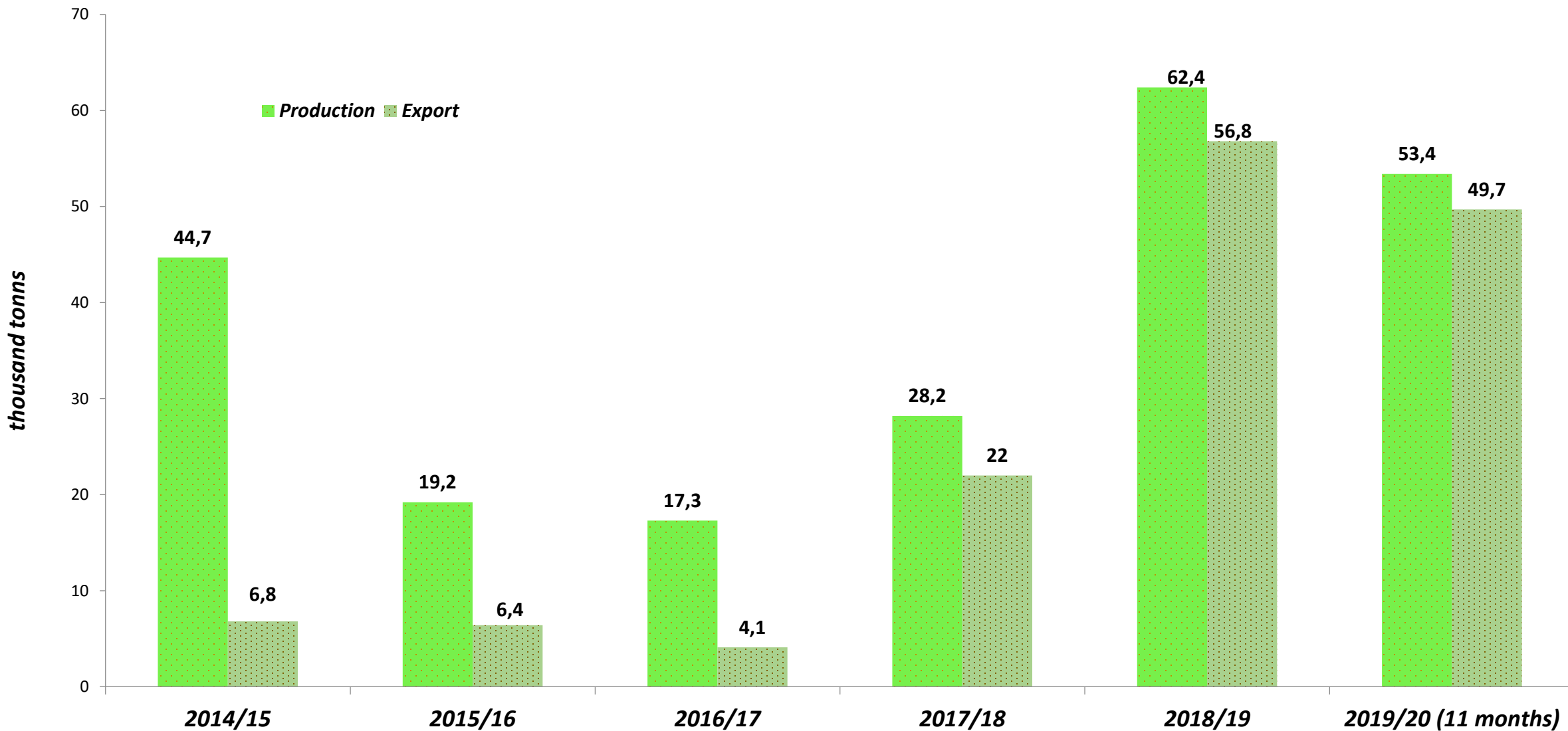
* KGU - Kazakh Grain Union

Rapeseeds export from Kazakhstan



data from the Department of Customs Control of the Ministry of Finance of the Republic of Kazakhstan

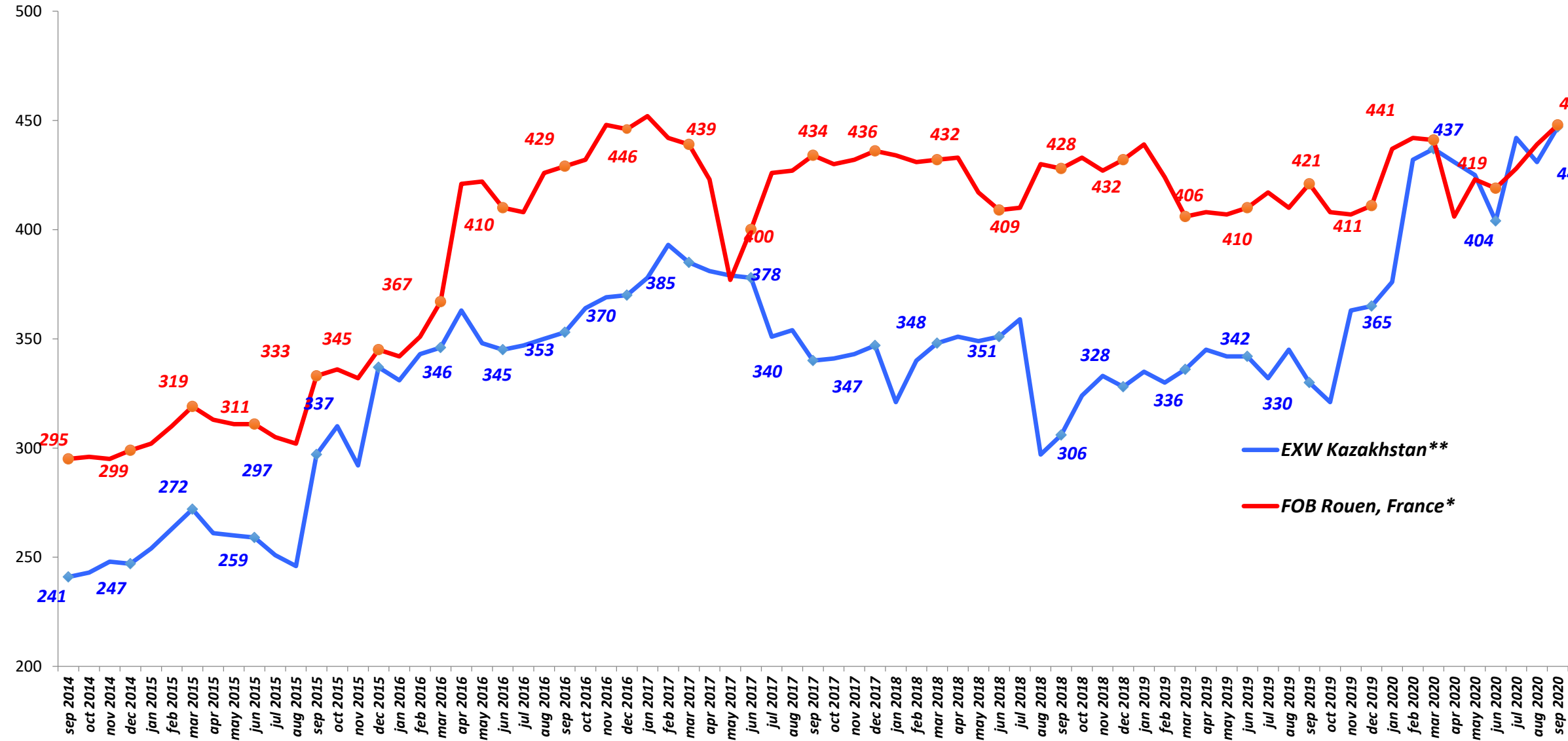
Production and export of Rapeseeds oil from Kazakhstan



production - data of the Committee on Statistics of the Republic of Kazakhstan
export - data from the Department of Customs Control of the Ministry of Finance
of the Republic of Kazakhstan
*operational data

Average monthly Rapeseeds prices

USD/t



* Oil World data

** Kazakh Grain Union data

Balance of Kazakh Rapeseed

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Sown area (Kazakhstan Statistics Committee), thousand hectares	303,3	245,8	161,5	254,9	370	300,2	127,4
Harvest area (Kazakhstan Statistics Committee), thousand hectares	243,4	220,6	161,1	251,1	365,4	269,1	120*
Starting stocks (Our rating), thousand tons	31,3	24,1	19,9	4,0	20,2	3,4	10,2
Harvest productivity, tons per hectare	0,99	0,63	1,05	1,11	1,08	0,89	1,24**
Production (Kazakhstan Statistics Committee), thousand tons	241,8	138,1	169,7	279	394,3	240,8	150,8**
Dockage (Our rating), thousand tons	35,6	20,2	18,3	35,5	47	32,2*	9,5
Conditioning production (Our rating), thousand tons	206,2	117,9	151,4	243,5	350,3	208,6*	141,3
Import, thousand tons*	1	2	3,5	4	4	103,7	50**
Total offer, thousand tons	238,5	144	174,8	251,5	374,5	315,7*	201,5**
Domestic consumption (Our rating), thousand tons, incl.:							
seeds	115,8	72,9	58,6	97,1	214,5	234,5*	154**
processing	2,7	3,4	2,8	2,5	3,5	1,5*	1,0*
other	104,1	57,5	51,8	84,6	203	221	152**
	9	12	4	10	8*	12*	1**
Export (Department of Customs Control of the Ministry of Finance of the Republic of Kazakhstan), thousand tons	98,6	51,2	112,2	134,2	154,6	71*	42**
End stocks, thousand tons	24,1	19,9	4,0	20,2	3,4*	10,2*	5,5**

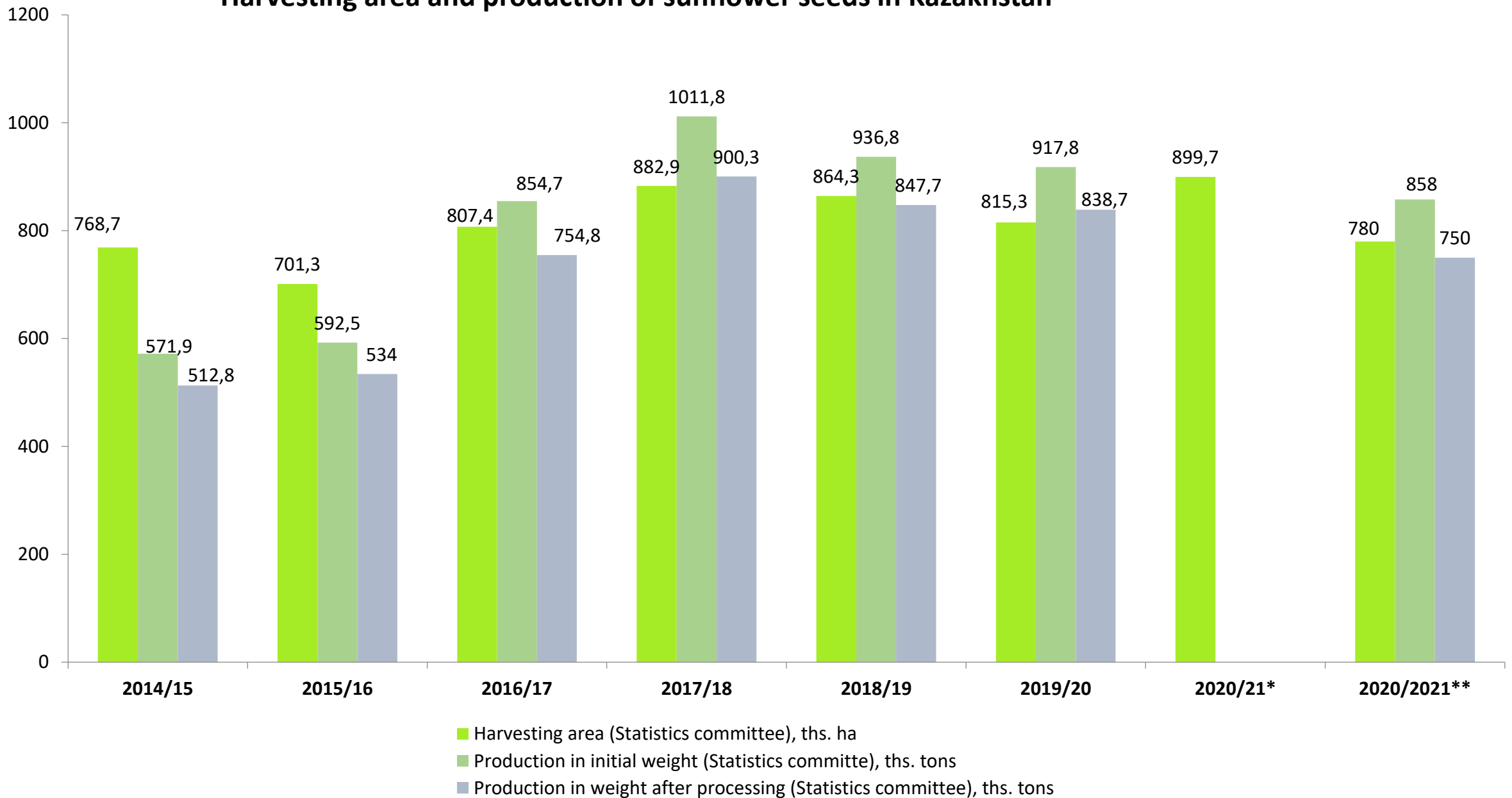
*assessment

**forecast

Sunflower seeds



Harvesting area and production of sunflower seeds in Kazakhstan



* Data of regional divisions of agriculture

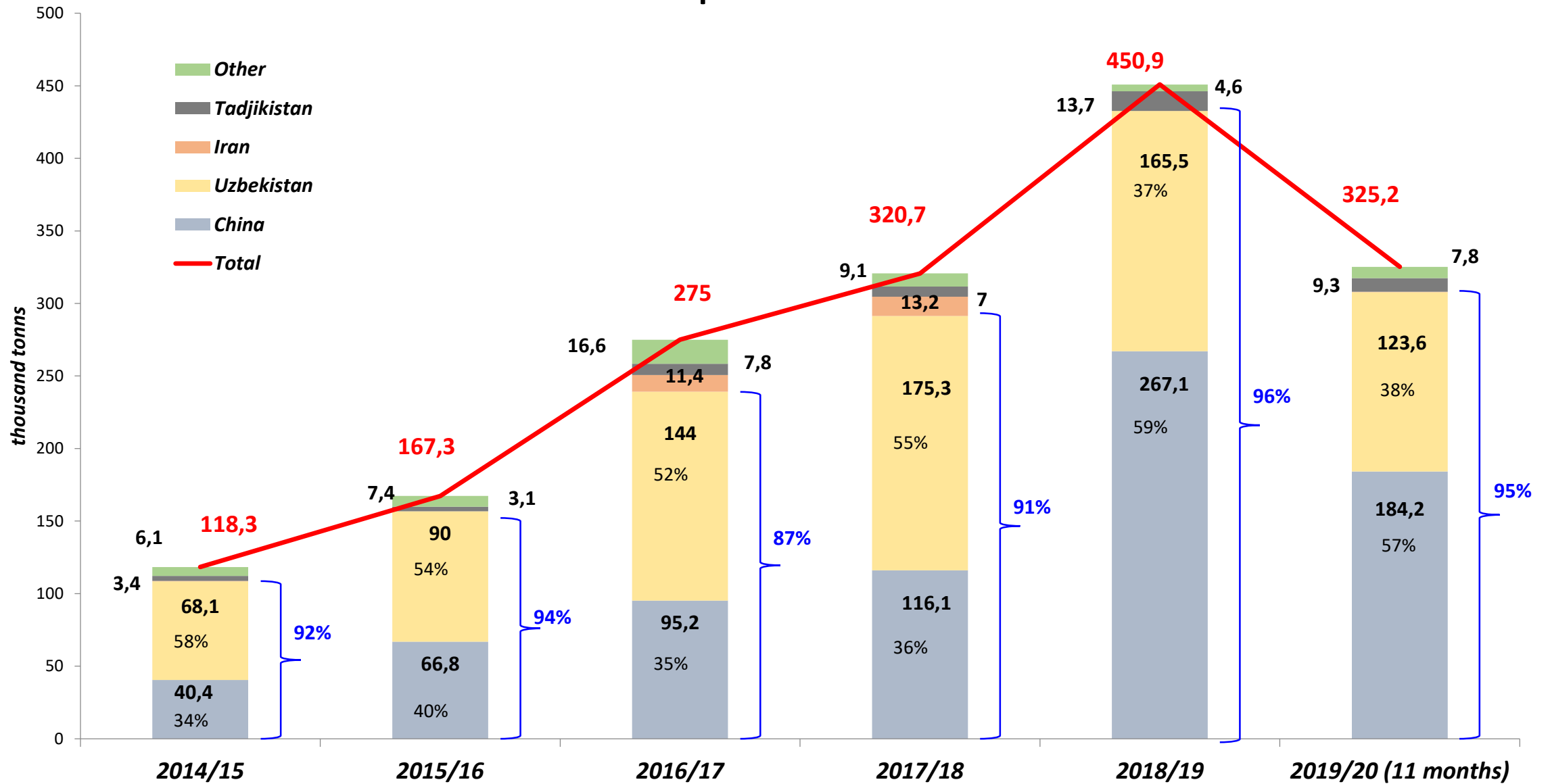
** Estimations of Kazakh Grain Union

Sown areas, harvesting areas, yield and production of sunflower seeds among the regions of Kazakhstan in 2019-2020

	2019 (Statistics committee) harvesting area, ths. ha	2019 (Statistics committee) yield, tons per hectare	2019 (Statistics committee) production, ths. tons	2020 (regional divisions of agriculture) Sown area, ths. ha	2020 (Statistics committee) Sown area, ths. ha	2020 (KGU* estimations) harvesting area, ths. ha	2020 (KGU* estimations) yield, tons per hectare	2020 (KGU* estimations) production, ths. tons
Akmola region	25,6	0,8	20,6	19,4	21,3	21	0,8	16,8
West- Kazakhstan regions	49,8	1,23	61,5	51	54,1	54	0,6	32,4
East-Kazakhstan regions	441,3	1,38	611,4	434	420,5	425	1,35	573,7
Kostanay region	52,6	0,66	34,6	75	46,3	42	0,95	39,9
Pavlodar region	164,6	0,65	107	223,2	153,9	150	0,6	90
North- Kazakhstan region	33,6	1,08	36,2	37,1	22,2	22	1,0	22
Other regions	47,8	0,97	46,5	60	37,8	35	0,7	24,5
Total, Kazakhstan	815,30	1,13	917,8	899,7	756,1	749	0,93	799,3

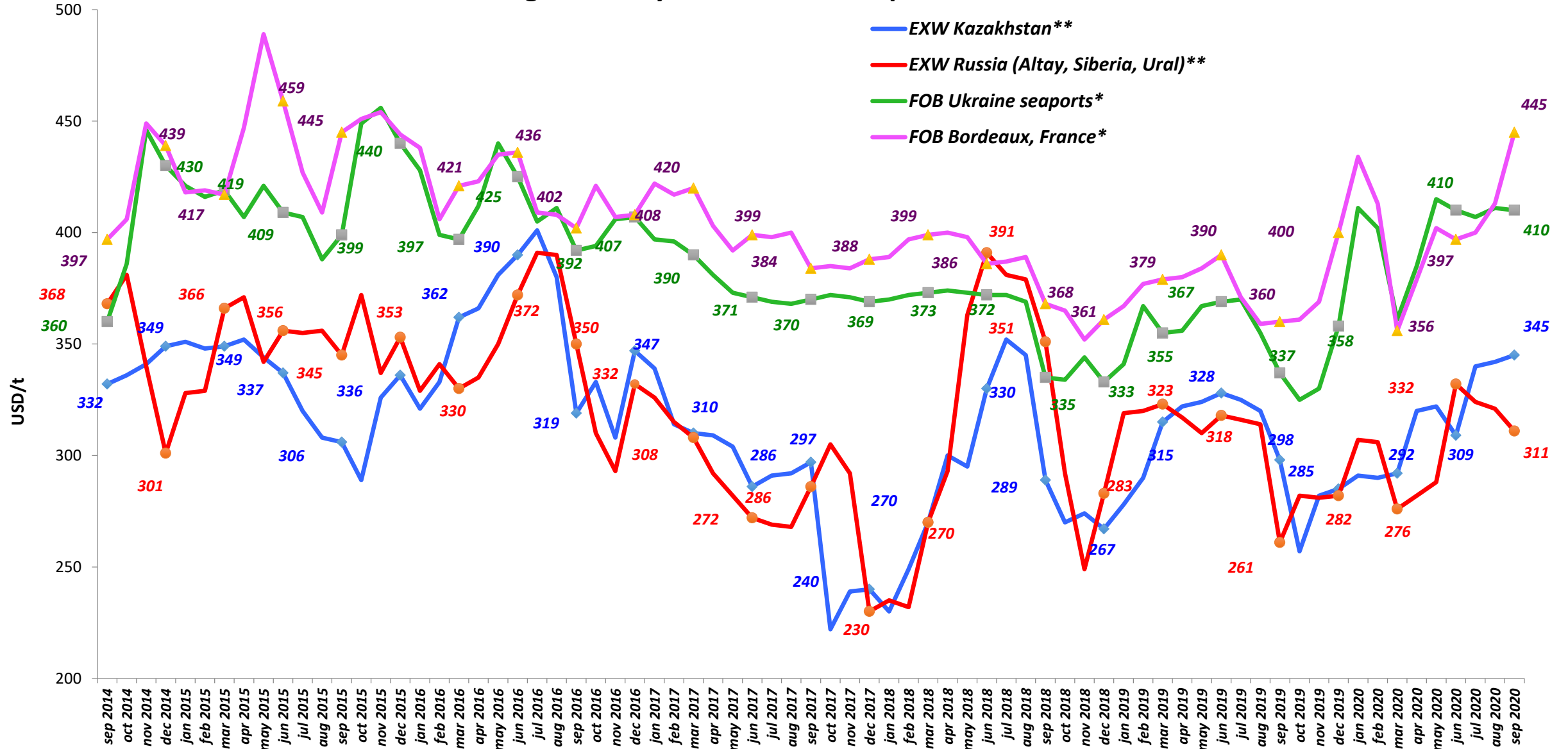
* KGU - Kazakh Grain Union

Sunflower seed export from Kazakhstan



data from the Department of Customs Control of the Ministry of Finance of the Republic of Kazakhstan

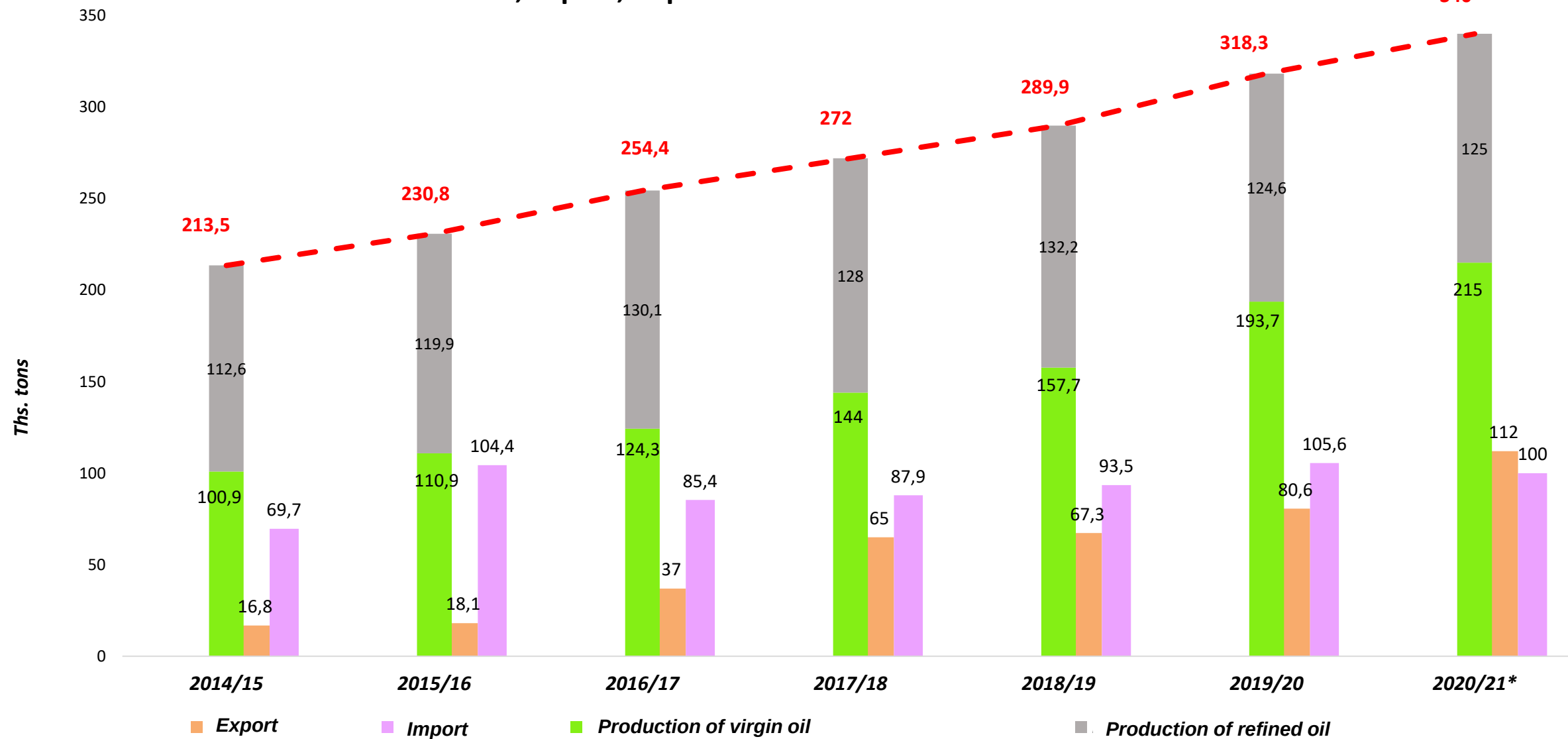
Average monthly sunflower seeds prices



* APK-Inform data

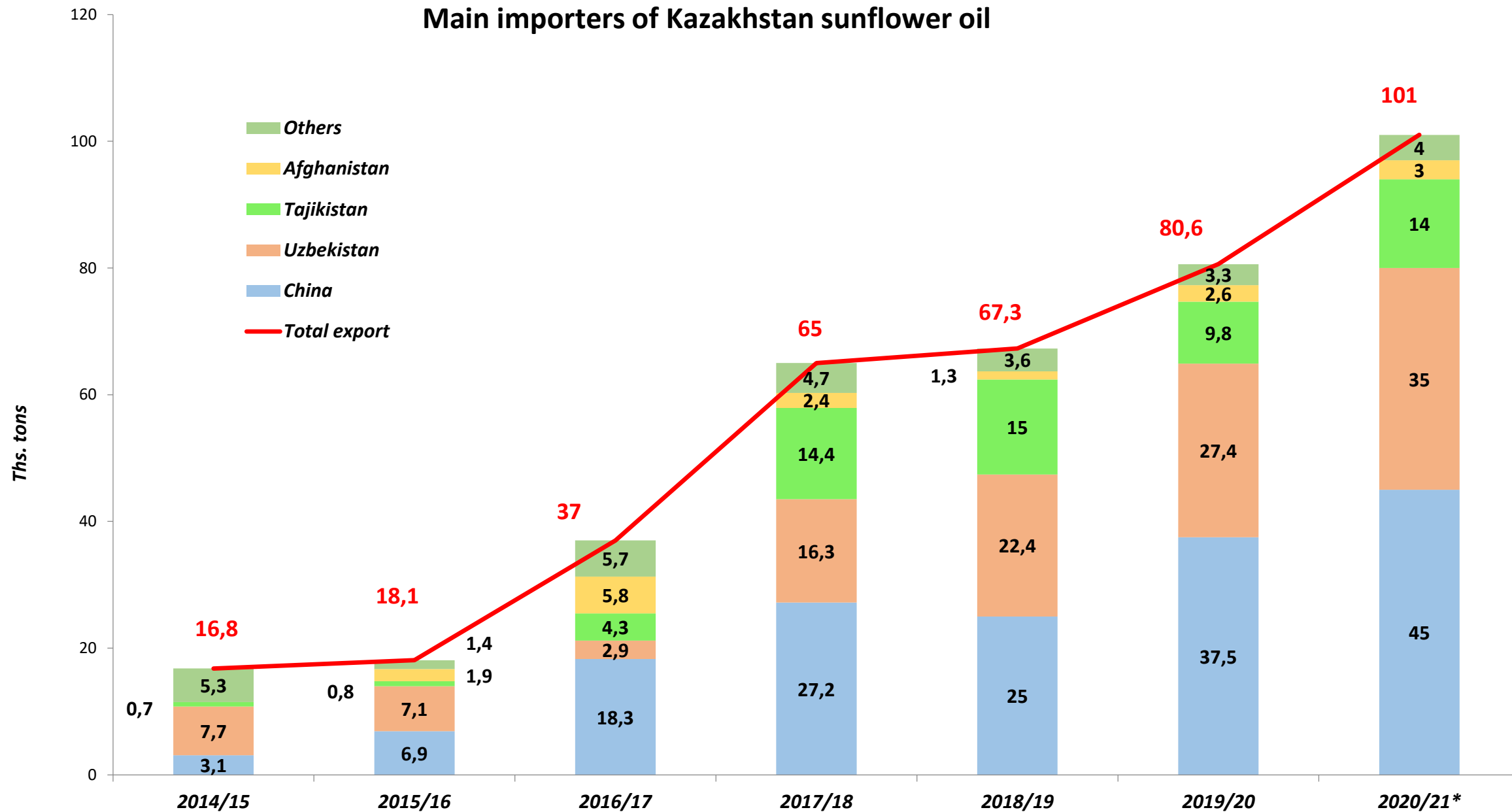
** Kazakh Grain Union data

Production, export, import of sunflower oil in Kazakhstan



Production data – Statistics committee of the Republic of Kazakhstan;
 Export, import data – Customs department of the Ministry of Finance;
 *2020/21 – Kazakh Grain Union forecast

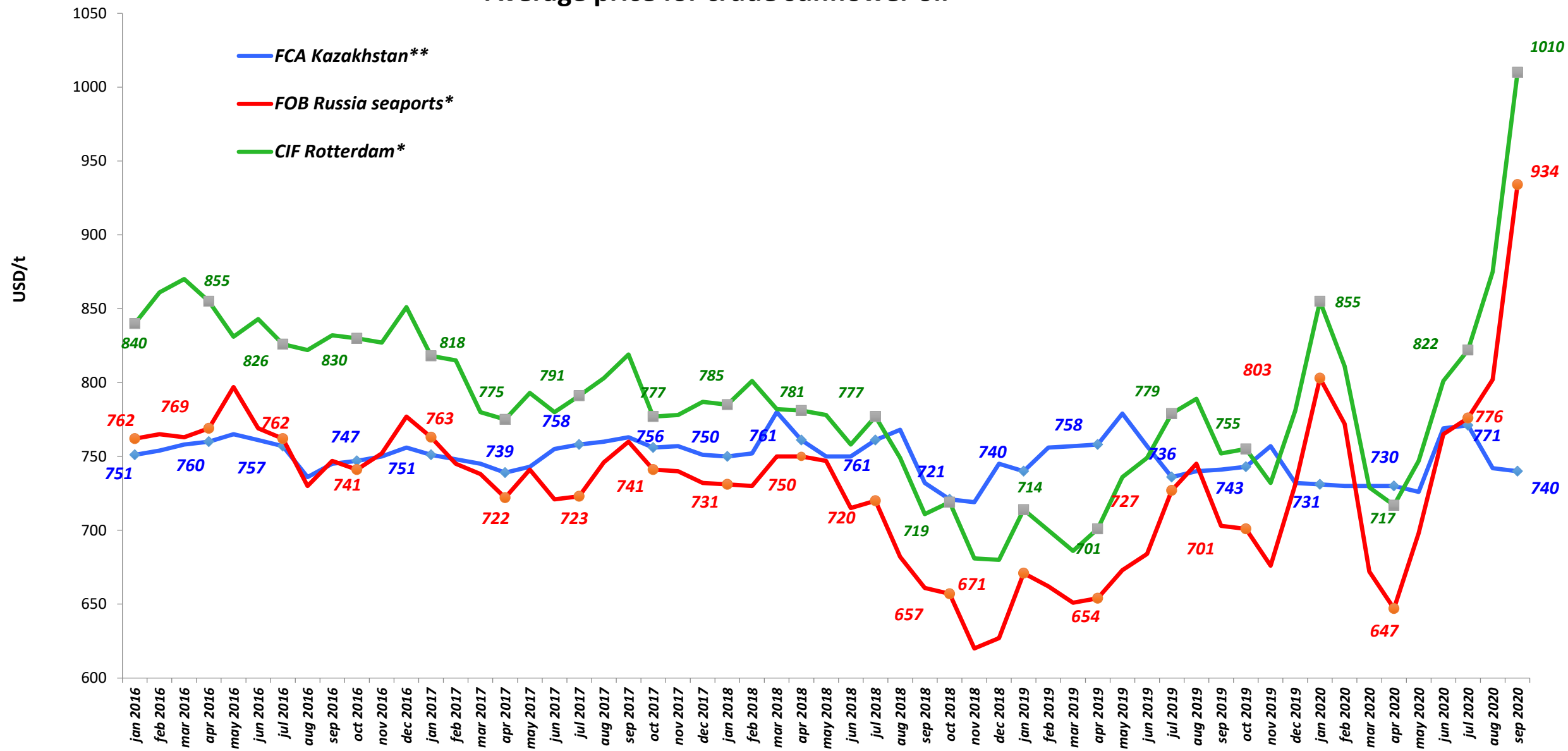
Main importers of Kazakhstan sunflower oil



Data of Customs department of the Ministry of Finance

* forecast

Average price for crude sunflower oil



* APK-Inform data

** Kazakh Grain Union data

Balance of Kazakh Sunflower seed

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21**
Sown area (Kazakhstan Statistics Committee), thousand hectares	849,2	742,2	839,4	902,2	888,3	830,4	756,1
Harvest area (Kazakhstan Statistics Committee), thousand hectares	768,7	701,3	807,4	882,9	847,7	815,3	749*
Starting stocks (Our rating), thousand tons	21	40,6	10,6	35,3	107,1	30,6	56,6
Harvest productivity, tons per hectare	0,74	0,84	1,06	1,14	1,11	1,12	1,15**
Production (Kazakhstan Statistics Committee), thousand tons	571,9	592,5	854,7	1011,8	936,8	917,8	858**
Dockage (Our rating), thousand tons	106,8	101,9	175,4	201,5	171,8	136,8*	121
Conditioning production (Our rating), thousand tons	461,5	490,6	679,3	810,3	765	781*	737
Import, thousand tons*	14,4	4,6	23,9	46	106,4	190*	205**
Total offer, thousand tons	496,9	535,8	713,8	891,6	978,5	1001,6*	998,6**
Domestic consumption (Our rating), thousand tons, incl.:							
seeds	338	357,9	403,5	483,8	497	580*	629**
processing	17	14,9	16,5	17,8	18	18*	17*
feed	291	317	358	413	451	541*	602**
other	26	21	24	28	23	16*	5**
	4	5	5	5	5	5	5
Export (Department of Customs Control of the Ministry of Finance of the Republic of Kazakhstan), thousand tons	118,3	167,3	275	320,7	450,9	365*	360**
End stocks, thousand tons	40,6	10,6	35,3	107,1	30,6*	56,6*	9,6**

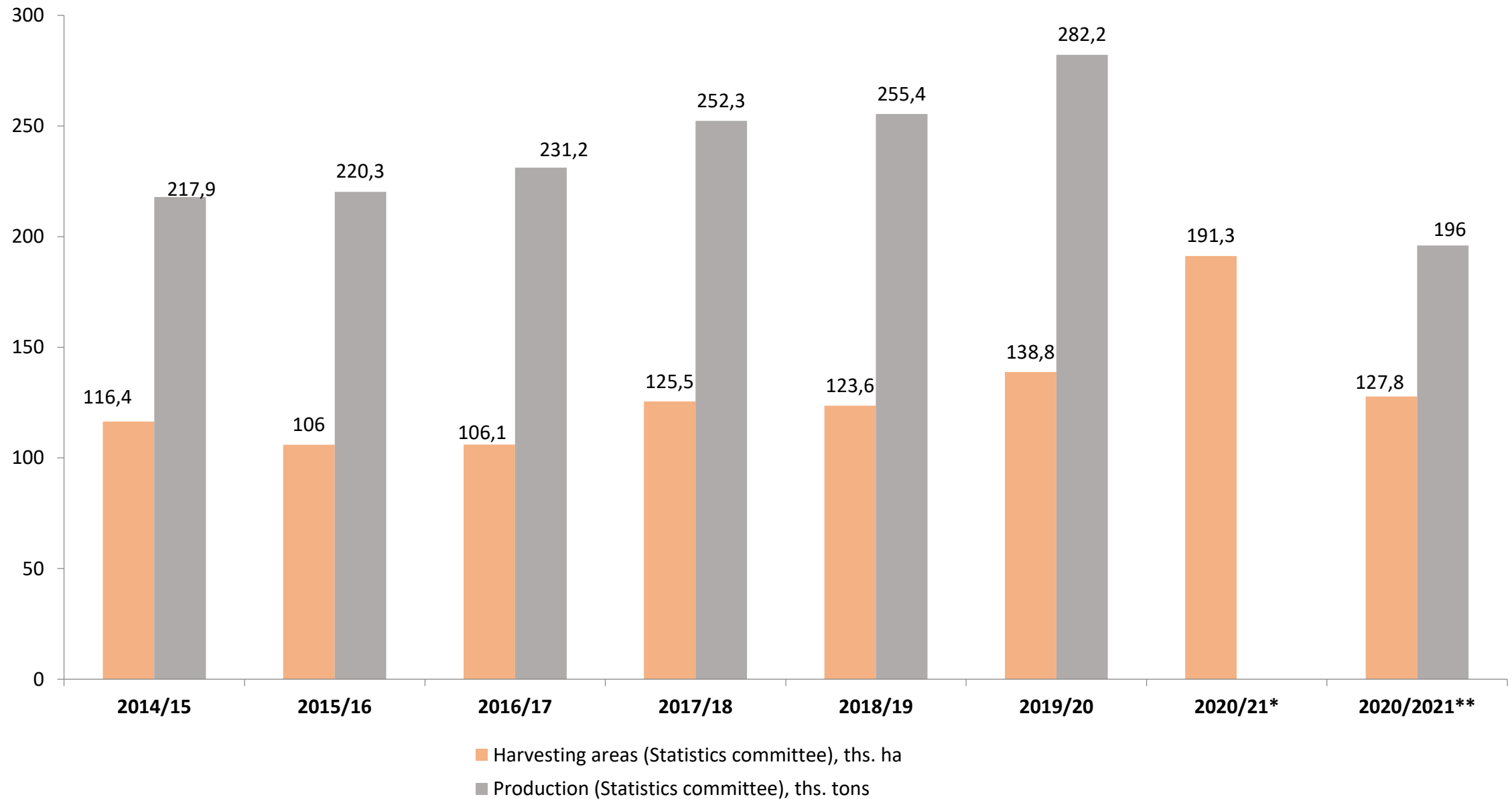
*assessment

**forecast

Soybeans



Harvesting areas and production of soybeans in Kazakhstan



* Data of regional divisions of agriculture

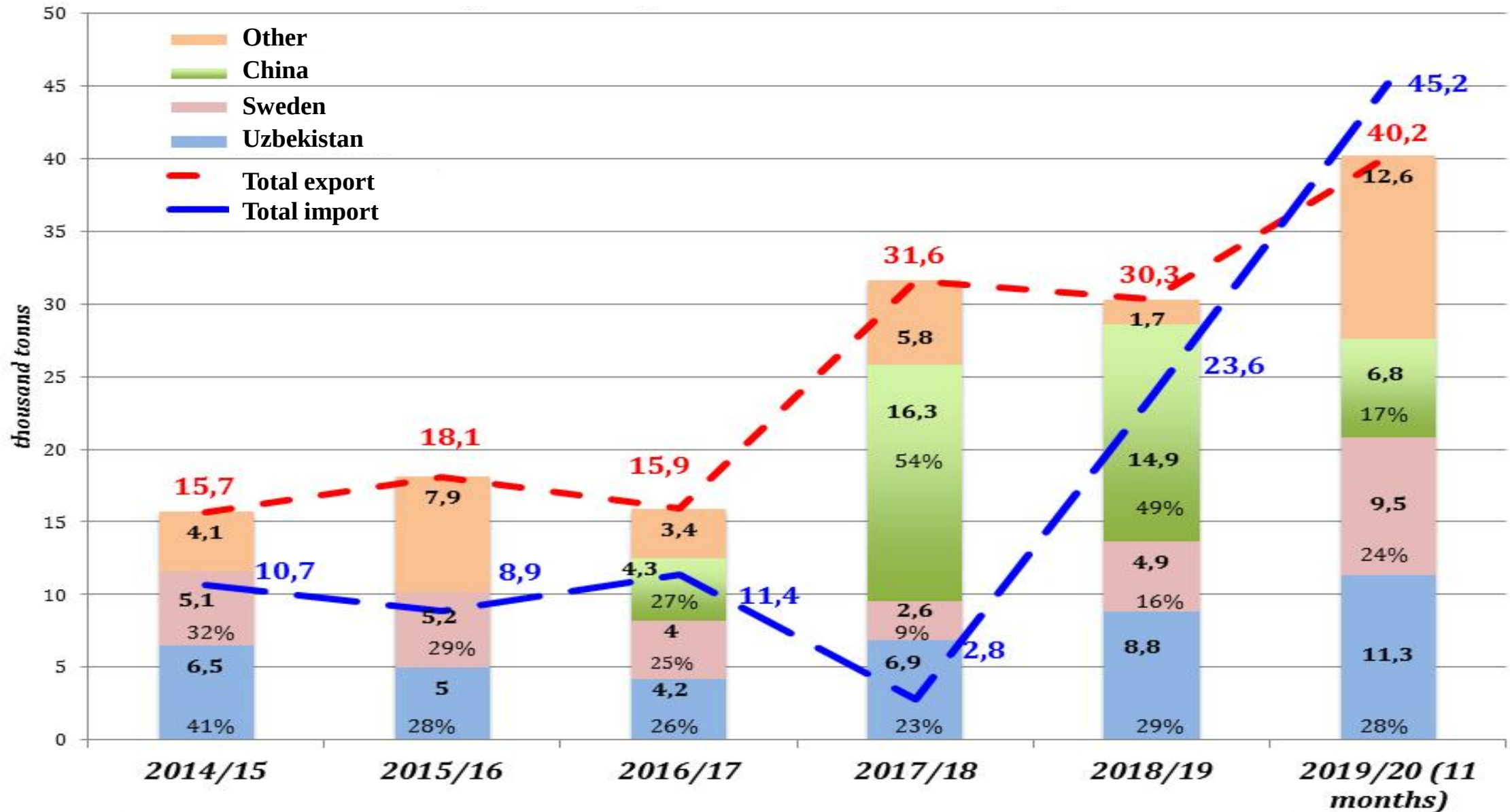
** Estimations of Kazakh Grain Union

Sown areas, harvesting areas, yield and production of soybeans among the regions of Kazakhstan in 2019-2020

	2019 (Statistics committee) harvesting area, ths. ha	2019 (Statistics committee) yield, tons per hectare	2019 (Statistics committee) production, ths. tons	2020 (regional divisions of agriculture) Sown area, ths. ha	2020 (Statistics committee) Sown area, ths. ha	2020 (KGU* estimations) harvesting area, ths. ha	2020 (KGU* estimations) yield, tons per hectare	2020 (KGU* estimations) production, ths. tons
Almaty region	107,8	2,37	255,4	108	101,5	95	1,85	175,5
North-Kazakhstan region	19,9	0,87	17,2	46,9	10,9	10	0,7	7
Other regions	11,1	0,86	9,6	36,4	15,4	15	0,9	13,5
Total, Kazakhstan	138,8	2,03	282,2	191,3	127,8	120	1,66	196

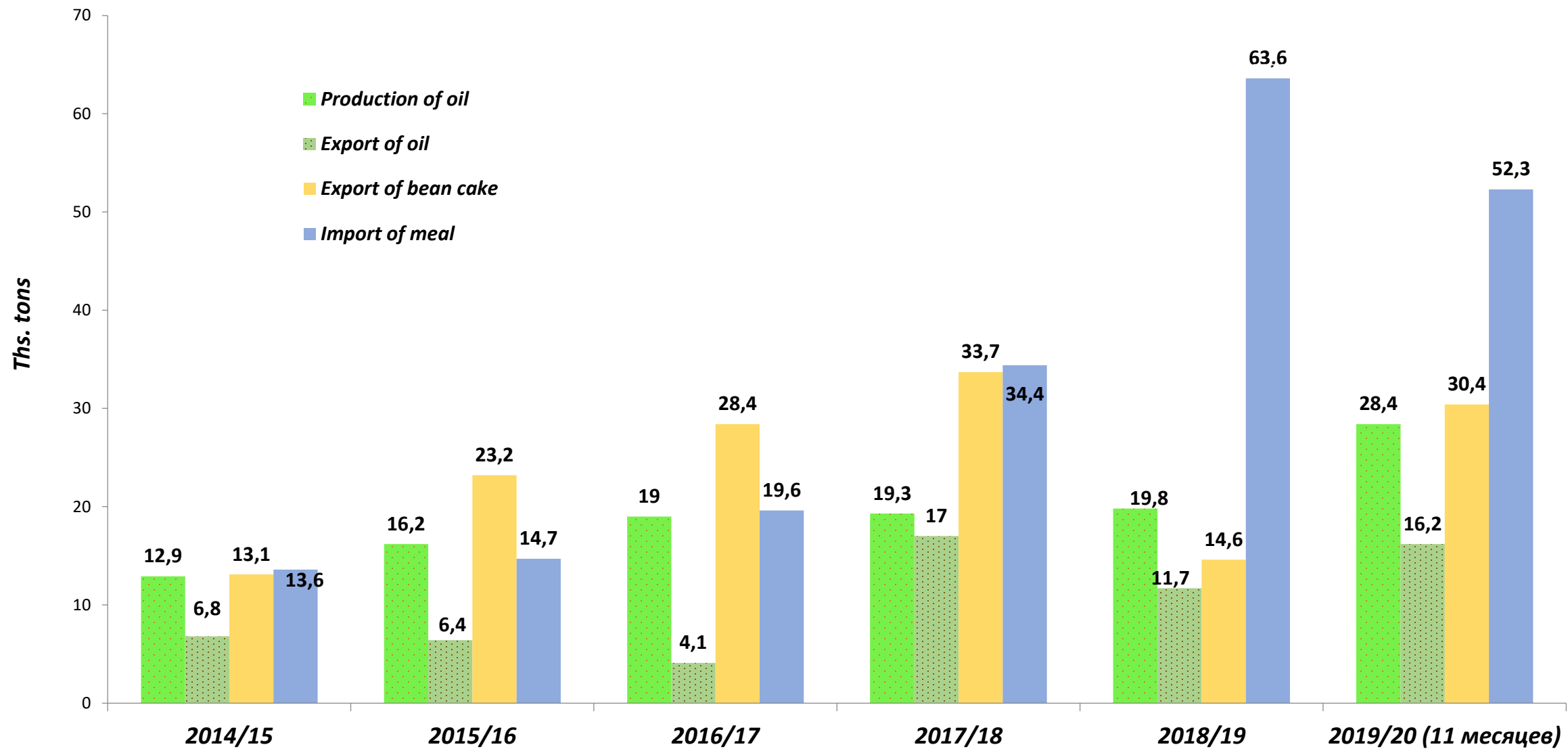
* KGU - Kazakh Grain Union

Export-import of soybeans from/to Kazakhstan



Data of Customs department of the Ministry of Finance

Production, export – import of soybean oil, meal and bean cake



Production data – Statistics committee of the Republic of Kazakhstan
Export, import data – Customs department of the Ministry of Finance

Balance of Kazakh Soybeans

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Sown area (Kazakhstan Statistics Committee), thousand hectares	119,1	106,8	106,5	128,8	126	139,5	127,8
Harvest area (Kazakhstan Statistics Committee), thousand hectares	116,4	106	106,1	125,5	123,6	138,8	120*
Starting stocks (Our rating), thousand tons	5,4	6,4	4,5	9,2	6,2	5,4	1,6
Harvest productivity, tons per hectare	1,87	2,08	2,18	2,01	2,07	2,03	1,63**
Production (Kazakhstan Statistics Committee), thousand tons	217,9	220,3	231,2	252,3	255,4	282,2	196**
Dockage (Our rating), thousand tons	47	41	45	49	51	53	23
Conditioning production (Our rating), thousand tons	170,9	179,3	186,2	203,3	204,4	229,2	173
Import, thousand tons*	10,7	8,9	11,4	2,8	23,6	47*	65**
Total offer, thousand tons	197	194,6	202,1	215,3	234,2	281,6*	238,6**
Domestic consumption (Our rating), thousand tons, incl.:							
seeds	164,9	172	177	177,5	198,5	237*	199,5**
processing	9	8,5	9	9	9,5	9*	8,5*
other	152,9	161,5	164	165,5	185	225	187**
	3	2	4	3	4	3*	4**
Export (Department of Customs Control of the Ministry of Finance of the Republic of Kazakhstan), thousand tons	15,7	18,1	15,9	31,6	30,3	43*	37**
End stocks, thousand tons	6,4	4,5	9,2	6,2	5,4	1,6*	2,1**

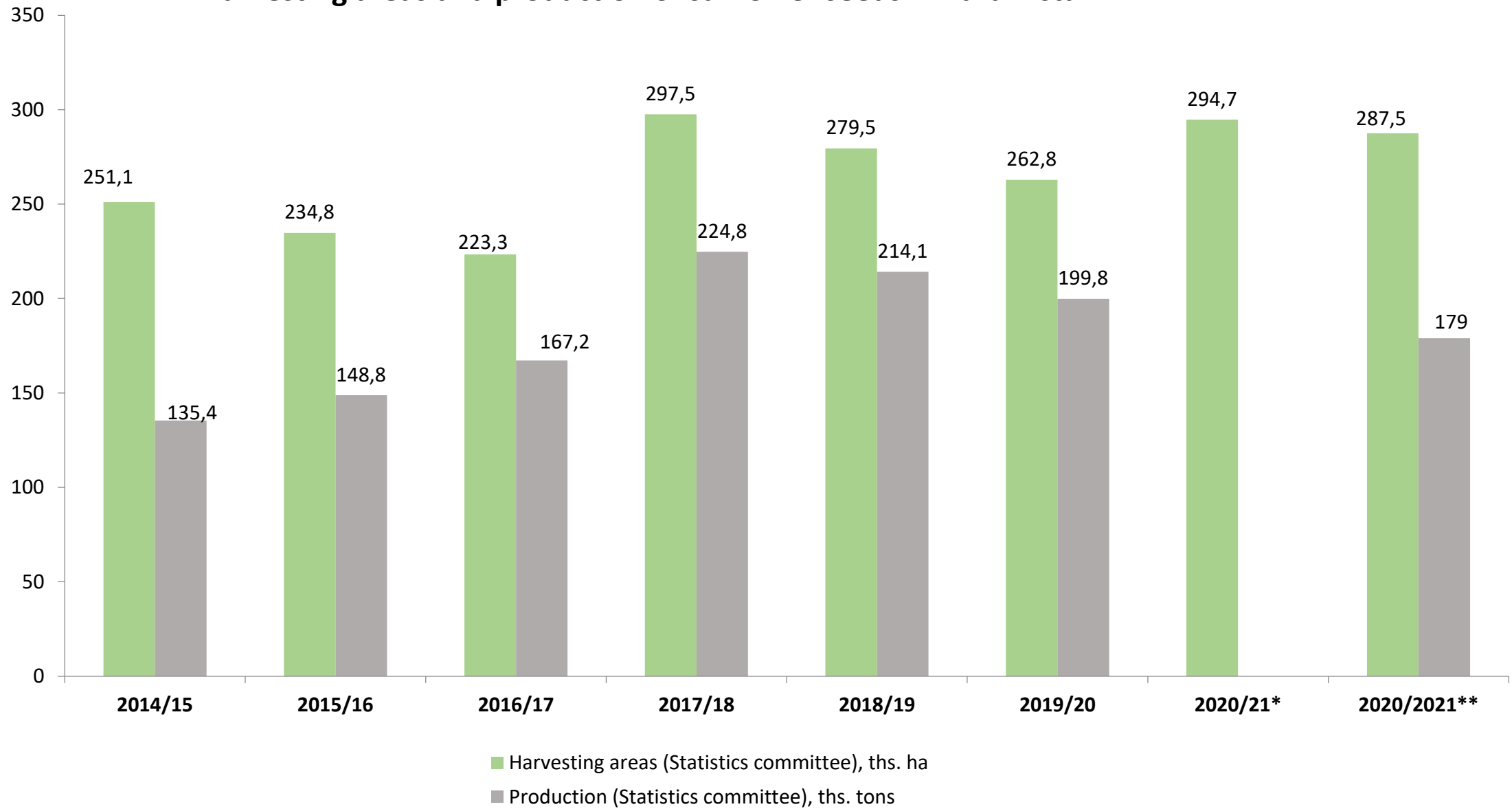
*assessment

**forecast

Safflower seeds



Harvesting areas and production of safflower seeds in Kazakhstan



* Data of regional divisions of agriculture

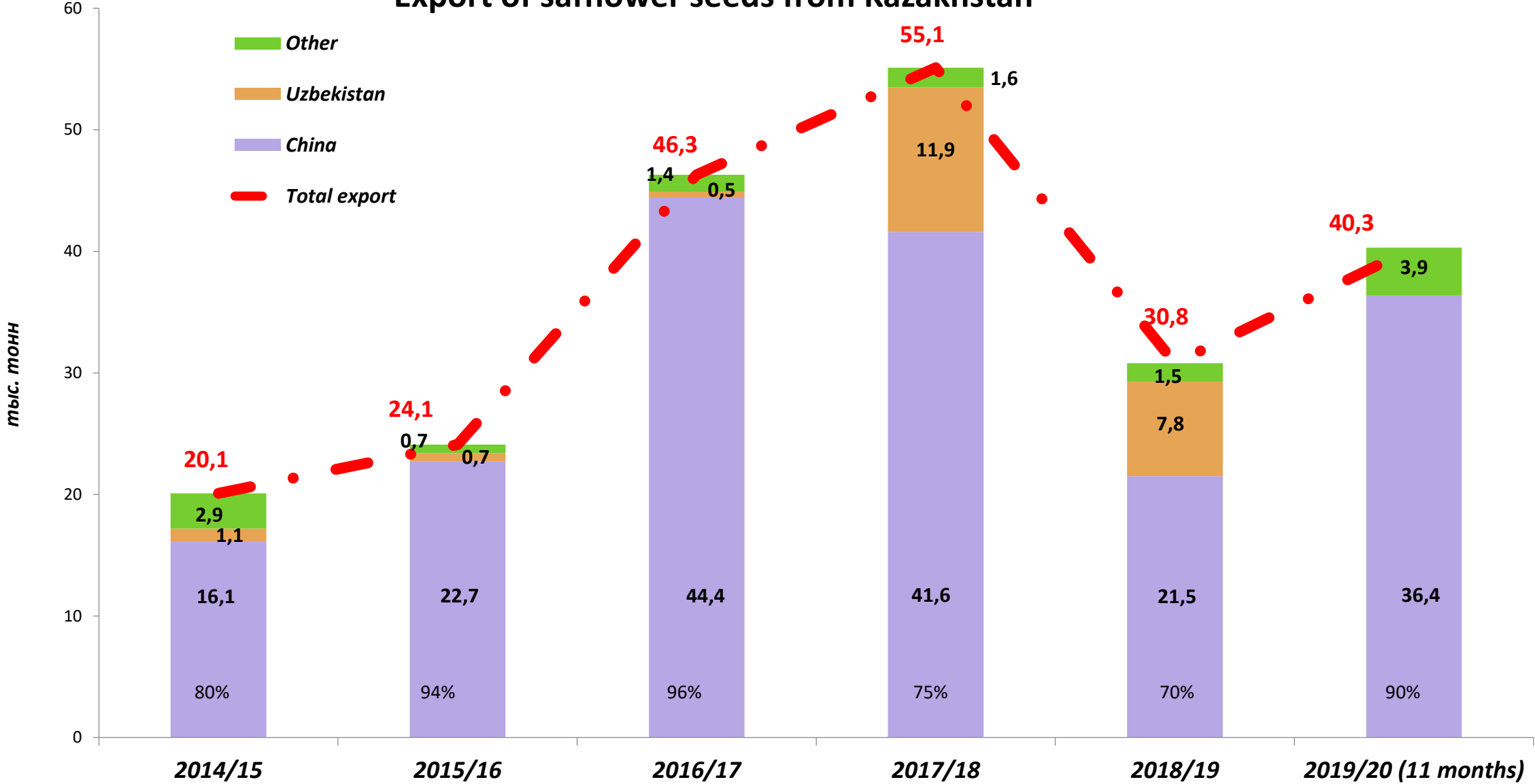
** Estimations of Kazakh Grain Union

Sown areas, harvesting areas, yield and production of safflower seeds among the regions of Kazakhstan in 2019-2020

	2019 (Statistics committee) harvesting area, ths. ha	2019 (Statistics committee) yield, tons per hectare	2019 (Statistics committee) production, ths. tons	2020 (regional divisions of agriculture) Sown area, ths. ha	2020 (Statistics committee) Sown area, ths. ha	2020 (KGU* estimations) harvesting area, ths. ha	2020 (KGU* estimations) yield, tons per hectare	2020 (KGU* estimations) production, ths. tons
Aktobe region	10,6	4,0	4,2	12,0	30,1	28,0	6,0	16,8
Almaty region	40,6	9,7	39,6	41,2	36,0	35,0	5,8	20,3
Zhambyl region	56,5	7,3	41,2	62,4	53,1	51,0	5,2	26,5
West-Kazakhstan region	28,7	8,5	24,3	58,5	67,3	60,5	7,0	42,3
Kostanay region	21,8	2,8	6,0	27,8	46,2	24,0	4	9,6
Turkestan region	88,0	8,2	72,4	80,0	80,9	77,0	7,4	57,0
Other regions	16,6	7,3	12,1	12,8	14,1	12,0	5,4	6,5
Total Kazakhstan	262,8	7,6	199,8	294,7	327,7	287,5	6,2	179

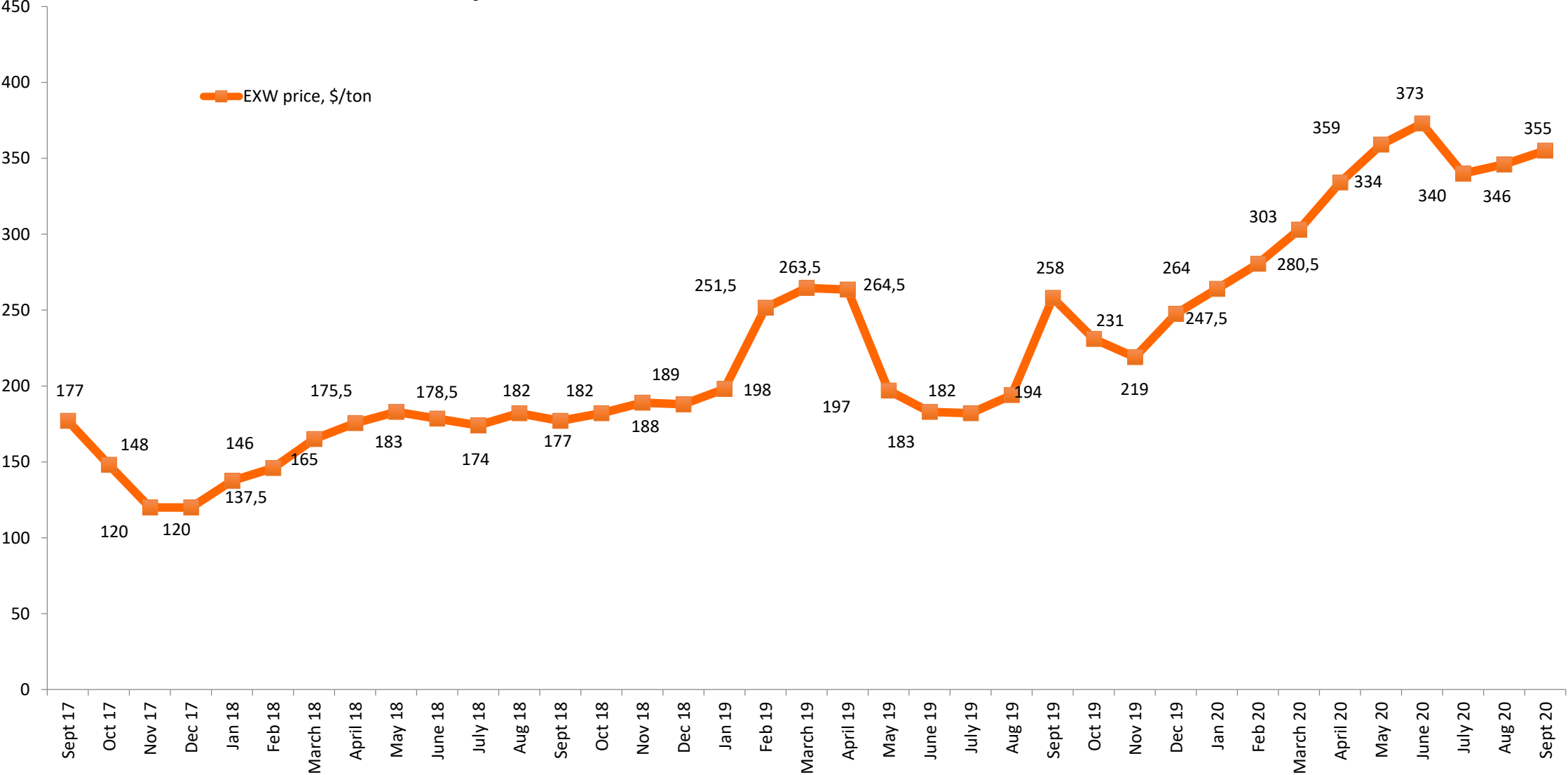
* KGU - Kazakh Grain Union

Export of safflower seeds from Kazakhstan



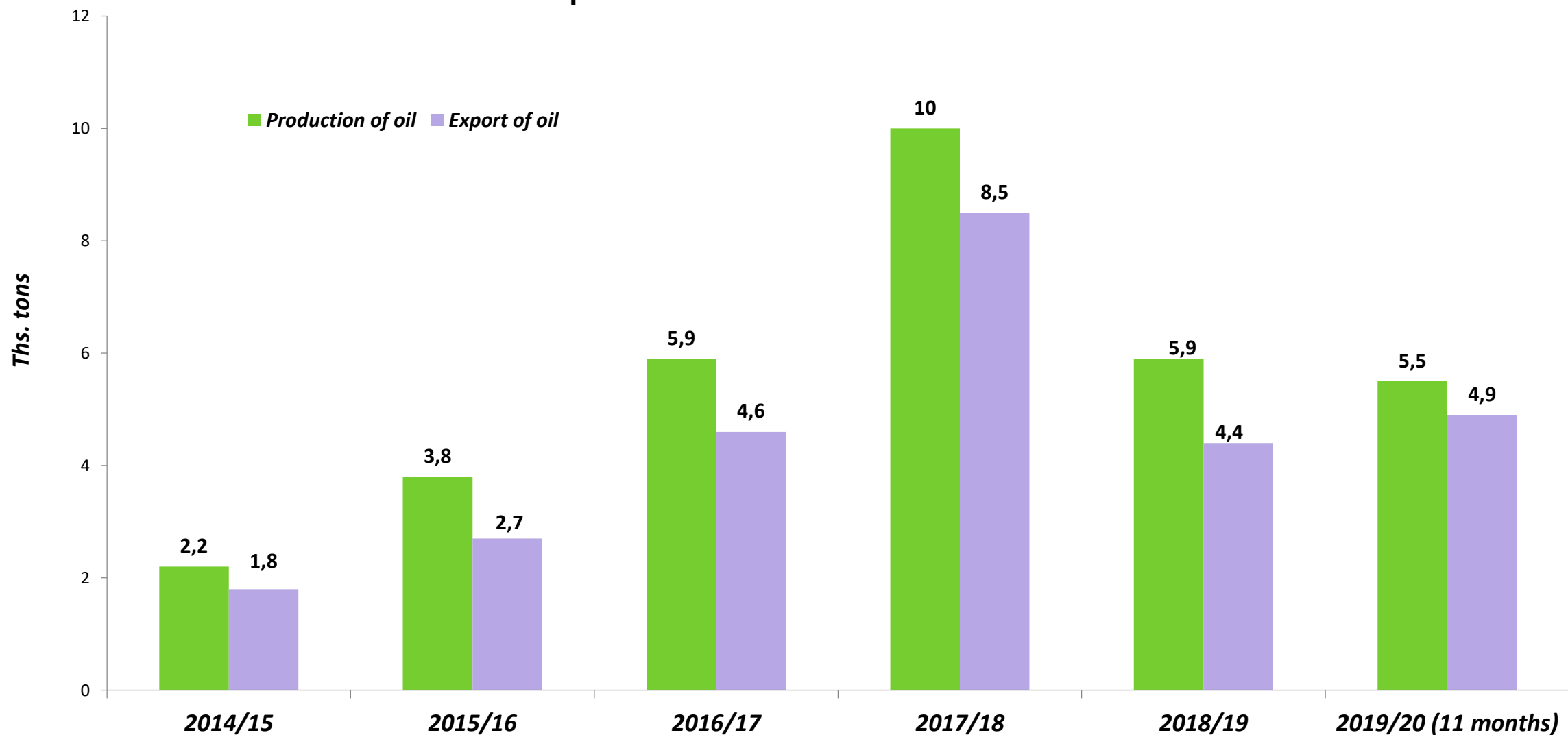
Data of Customs department of the Ministry of Finance

Domestic price for safflower in Kazakhstan, EXW, \$/ton, without VAT



Data of Kazakh Grain Union

Production and export of safflower oil from Kazakhstan



Production data – Statistics committee of the Republic of Kazakhstan
Export, import data – Customs department of the Ministry of Finance

Balance of Kazakh safflower

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Sown area (Kazakhstan Statistics Committee), thousand hectares	267,4	245,4	226,2	298,2	285	266,1	327,7
Harvest area (Kazakhstan Statistics Committee), thousand hectares	251,1	234,8	223,3	297,5	279,5	262,8	287,5*
Starting stocks (Our rating), thousand tons	2,4	4,4	4,7	0,8	1,8	15,3	9,9
Harvest productivity, tons per hectare	0,54	0,63	0,75	0,76	0,77	0,76	0,62**
Production (Kazakhstan Statistics Committee), thousand tons	135,4	148,8	167,2	224,8	214,1	199,8	179**
Dockage (Our rating), thousand tons	36	40	42	50	52	49	45
Conditioning production (Our rating), thousand tons	99,4	108,8	125,2	174,8	162,1	150,8	134
Import, thousand tons *	0,2	01	5,2	0,3	0	0,5*	0,5**
Total offer, thousand tons	102	113,3	135,1	175,9	164,9	166,6*	144,4**
Domestic consumption (Our rating), ths. tons, incl.:							
Seeds	77,5	84,5	87	119	118,8	116,4*	105,5**
Processing	8,5	8	10	10	9,8	11,4*	10,5*
Other	68	74,5	78	108	107	102	93**
	1	2		1	2	3*	2**
Export (Department of Customs Control of the Ministry of Finance), thousand tons	20,1	24,1	46,3	55,1	30,8	40,3*	37**
End stocks, thousand tons	4,4	4,7	0,8	1,8	15,3	9,9*	1,9**

* estimation ** forecast

CEREALS, OILSEEDS, PULSES: 2019/2020 season results and 2020/2021 season perspectives



SPEAKER

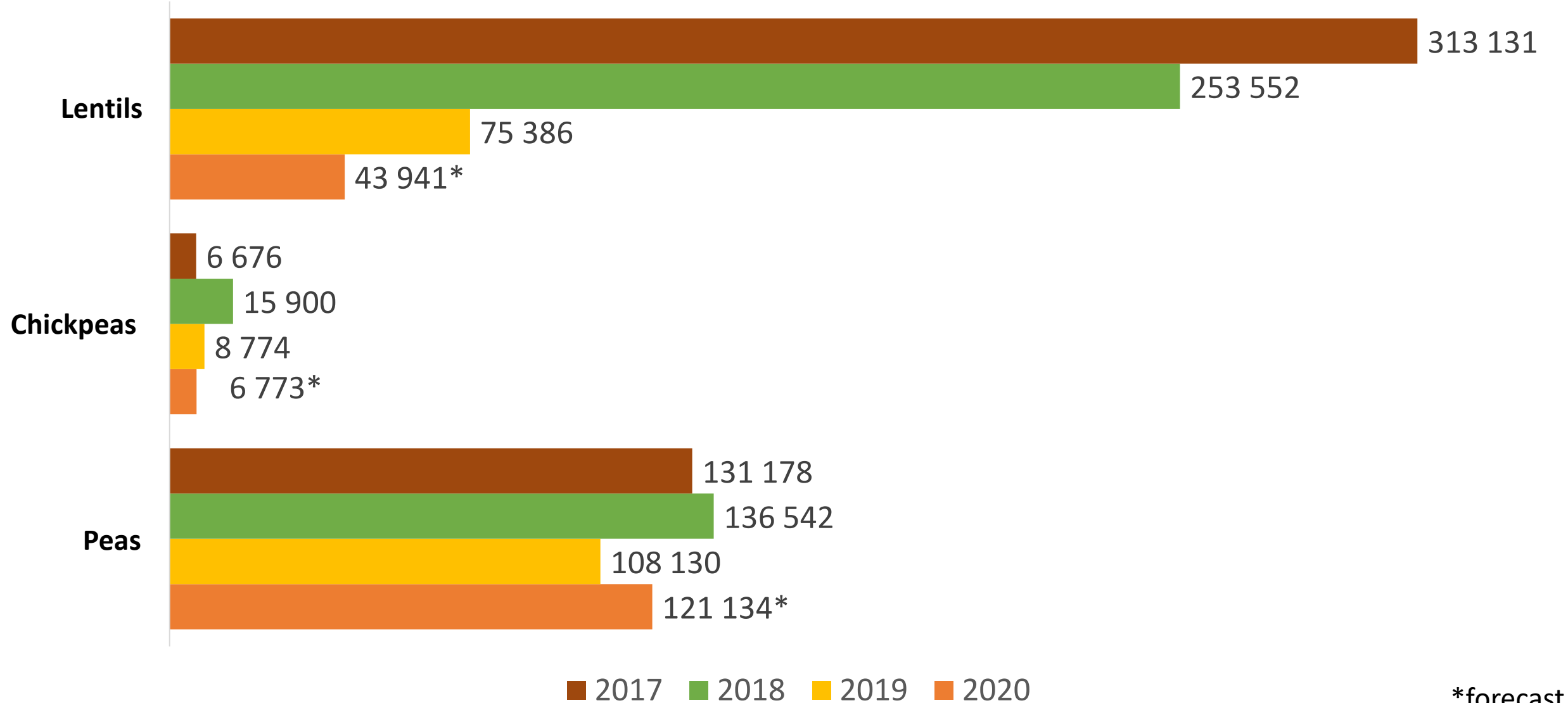
**Mr. Kintal
ISLAMOV**

Chairman
of the Board of the
Atameken-Agro JSC

**PULSES. 2019/2020 season results and
2020/2021 season perspectives.
Problematic issues.**



Production of pulses in Kazakhstan, tons

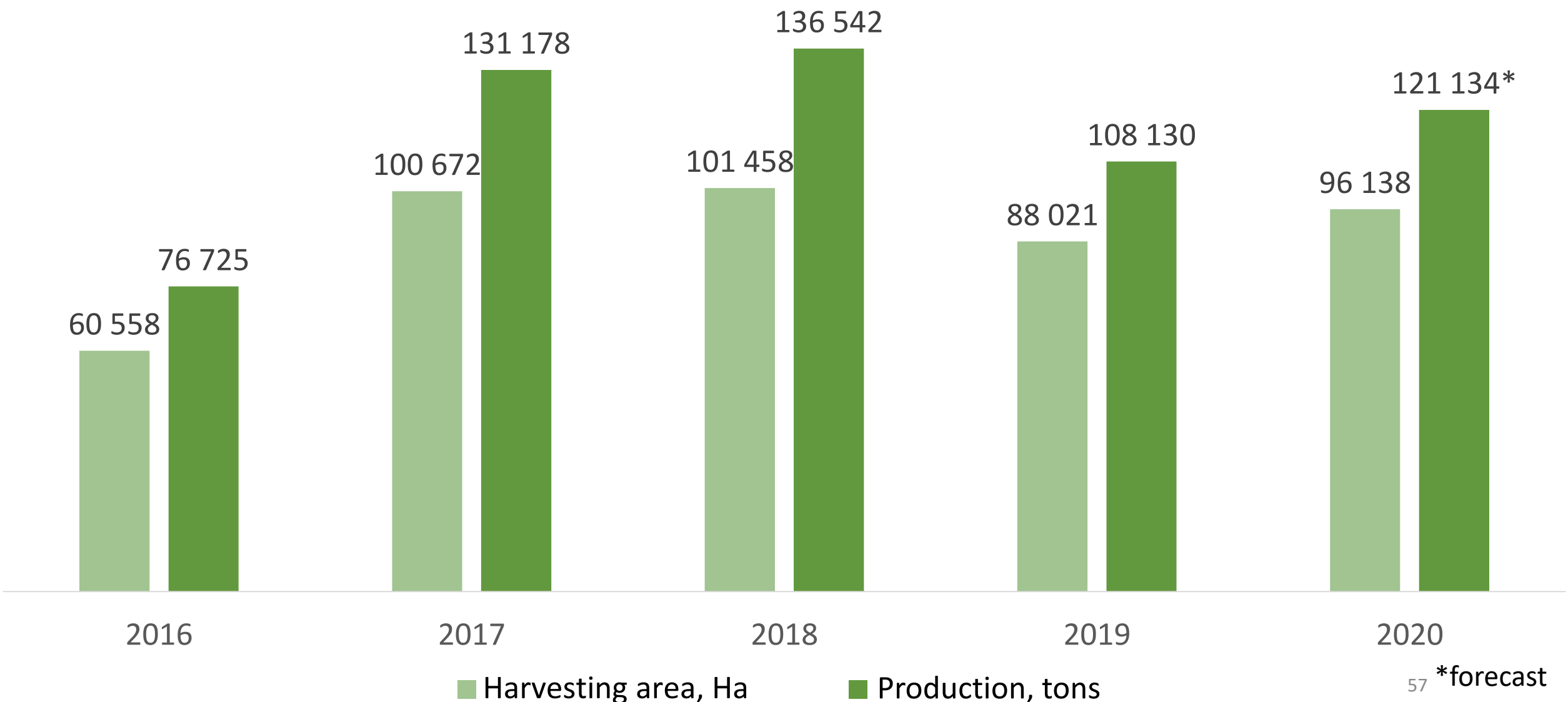


*forecast

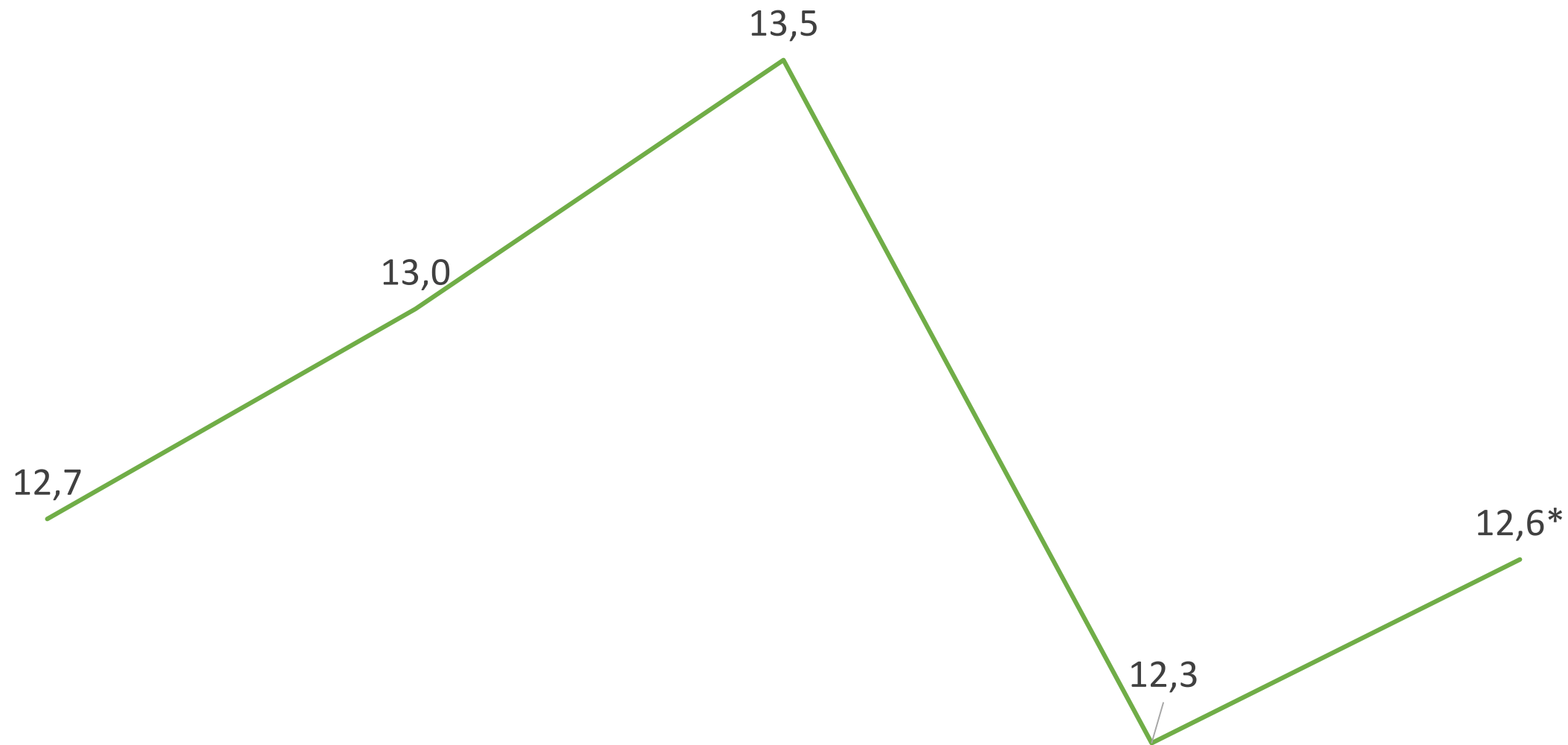


Peas

Production of peas in Kazakhstan, tons



Average yield, centners per Ha



*forecast

2016

2017

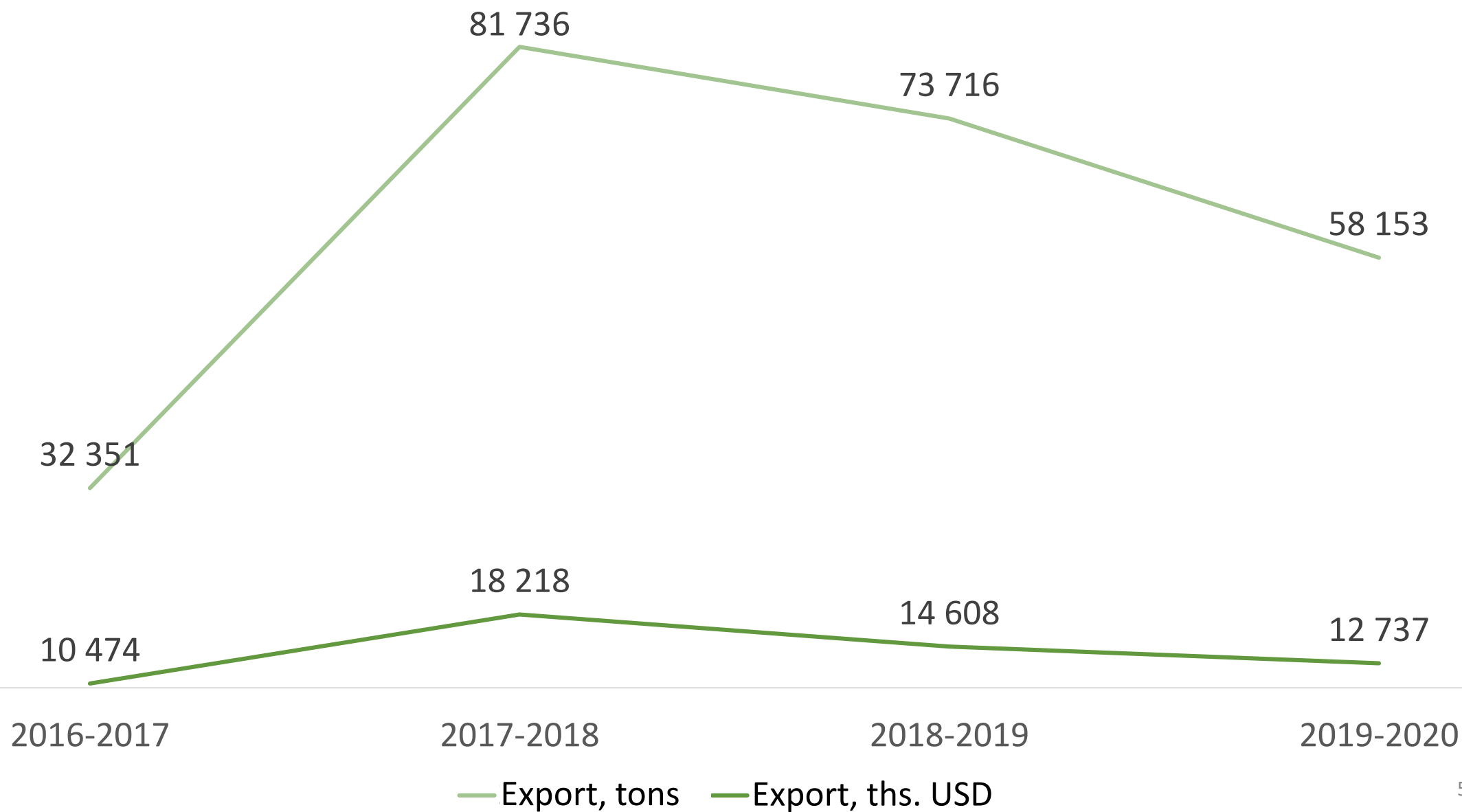
2018

2019

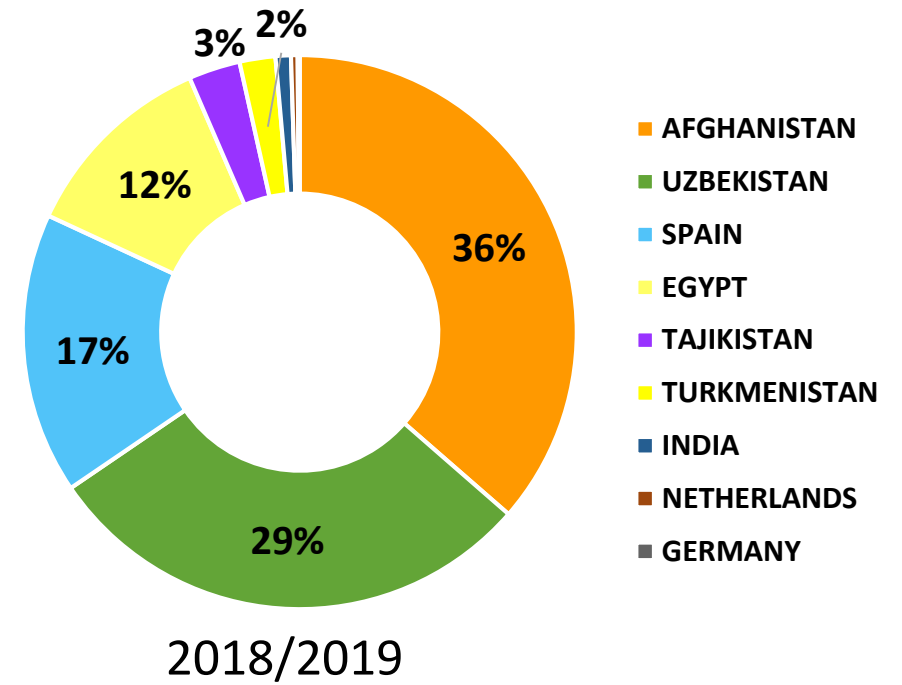
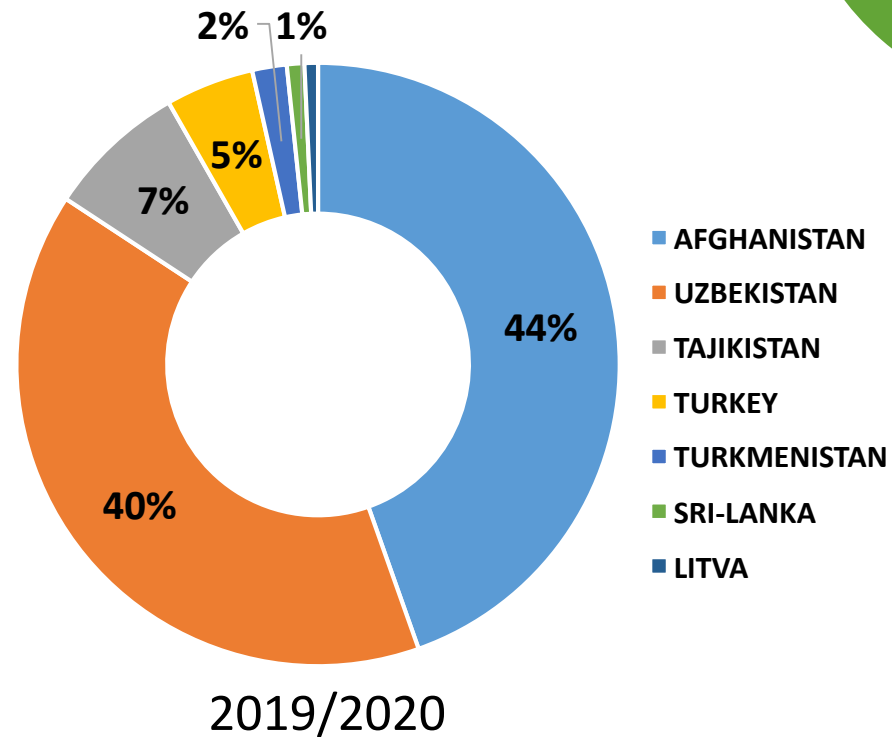
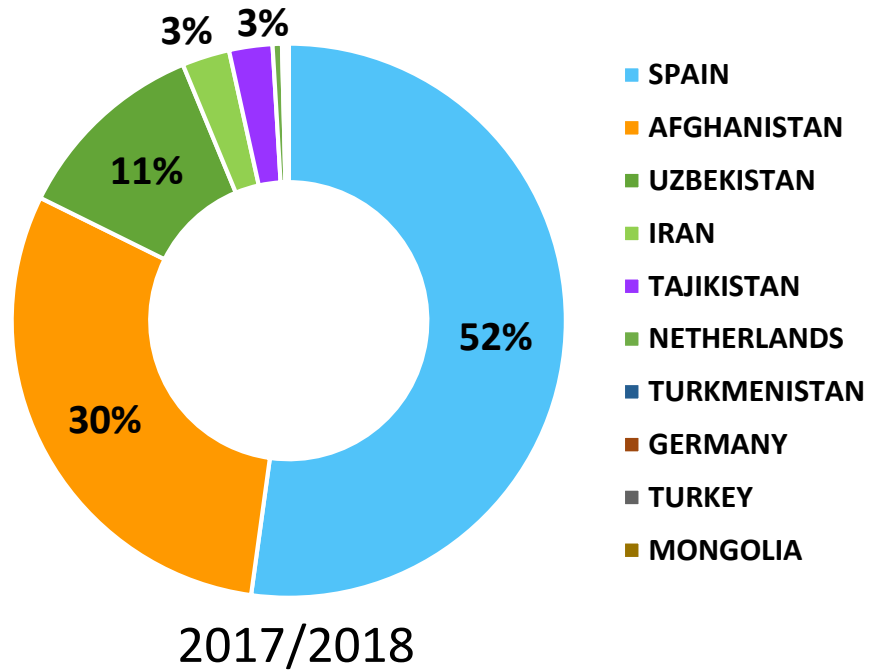
2020

58

Export of peas

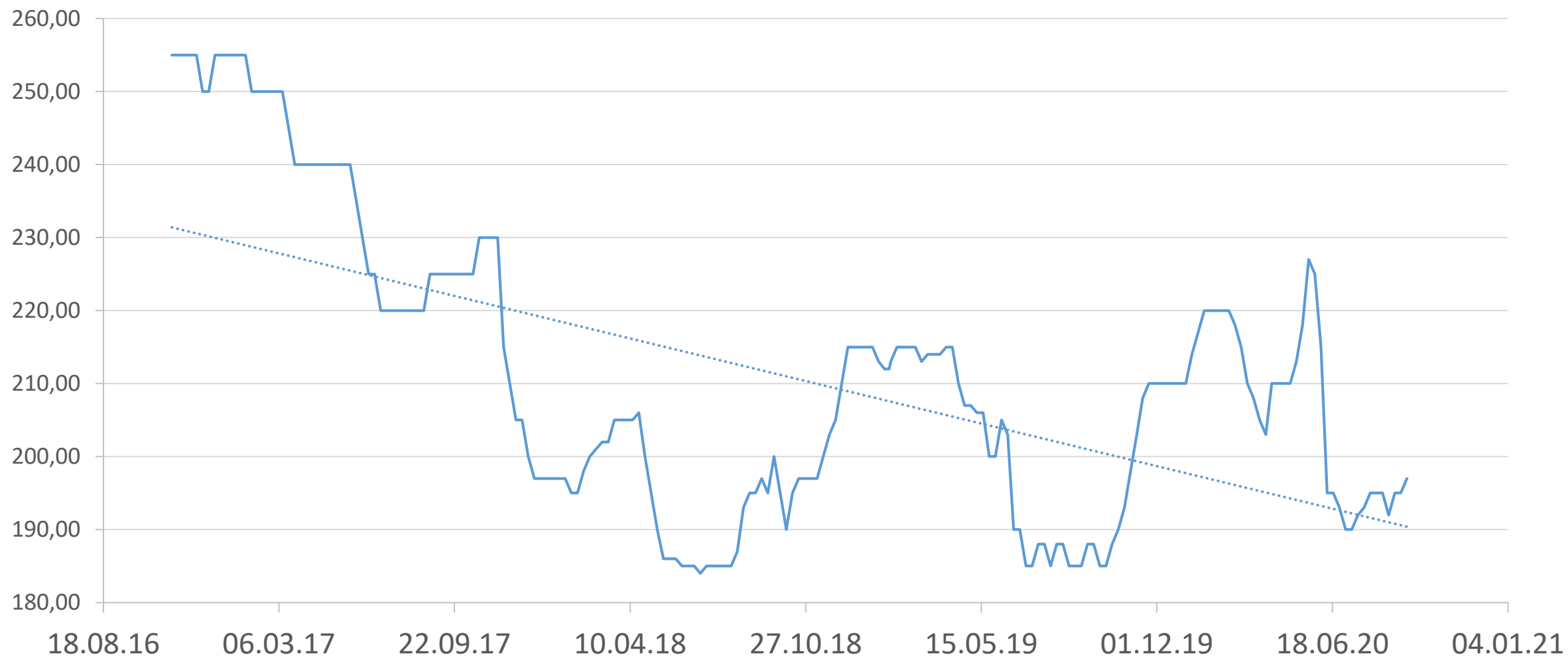


Export of Kazakh peas



Peas price dynamics on the example of CPT Ukraine , USD/tons

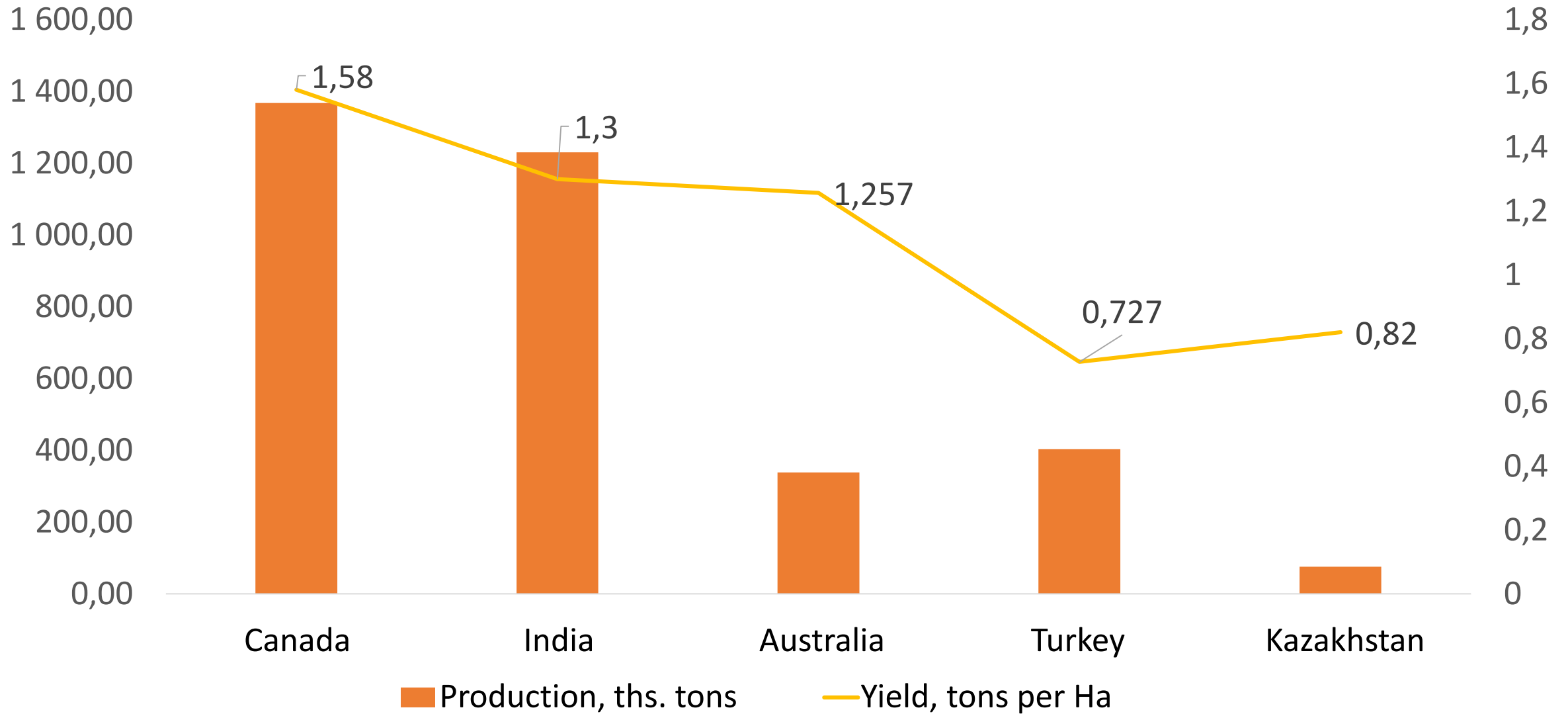
Src: APK-Inform



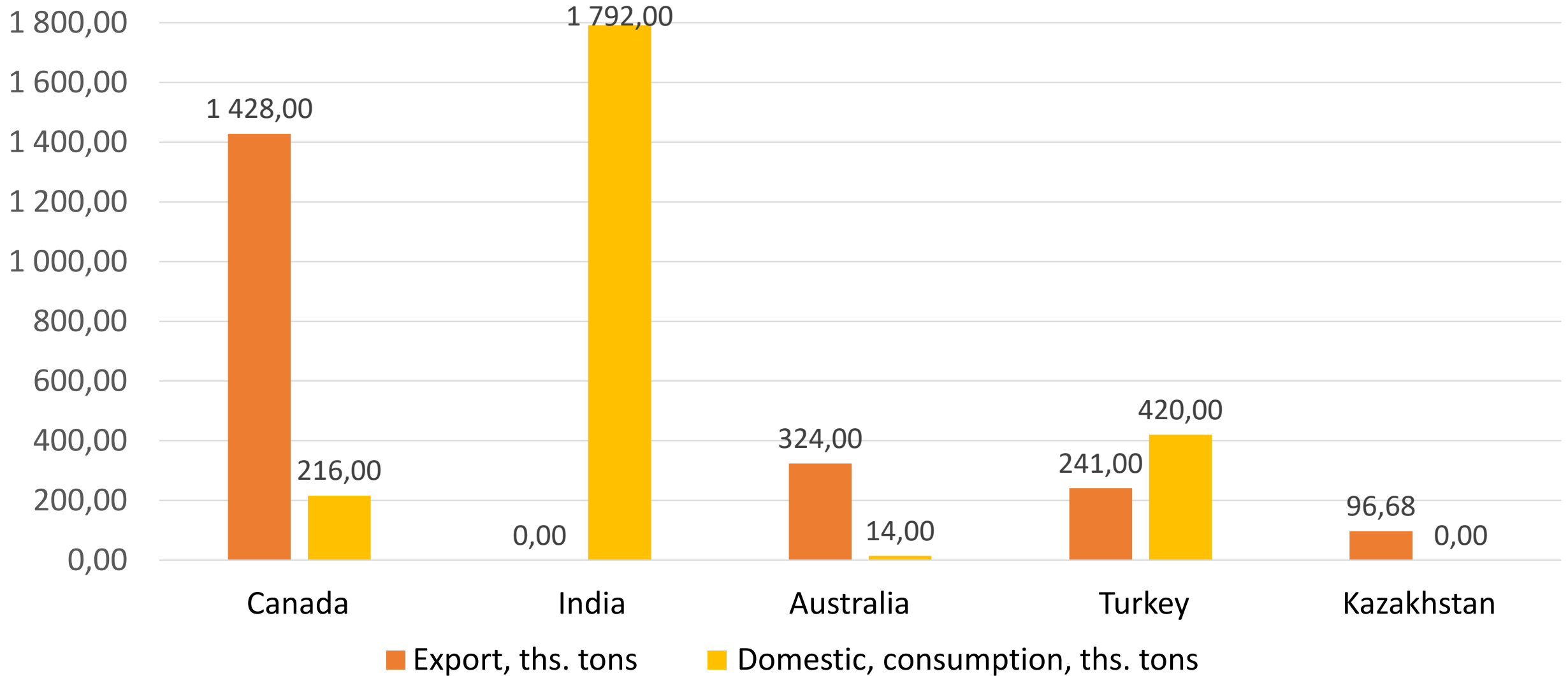


Lentils

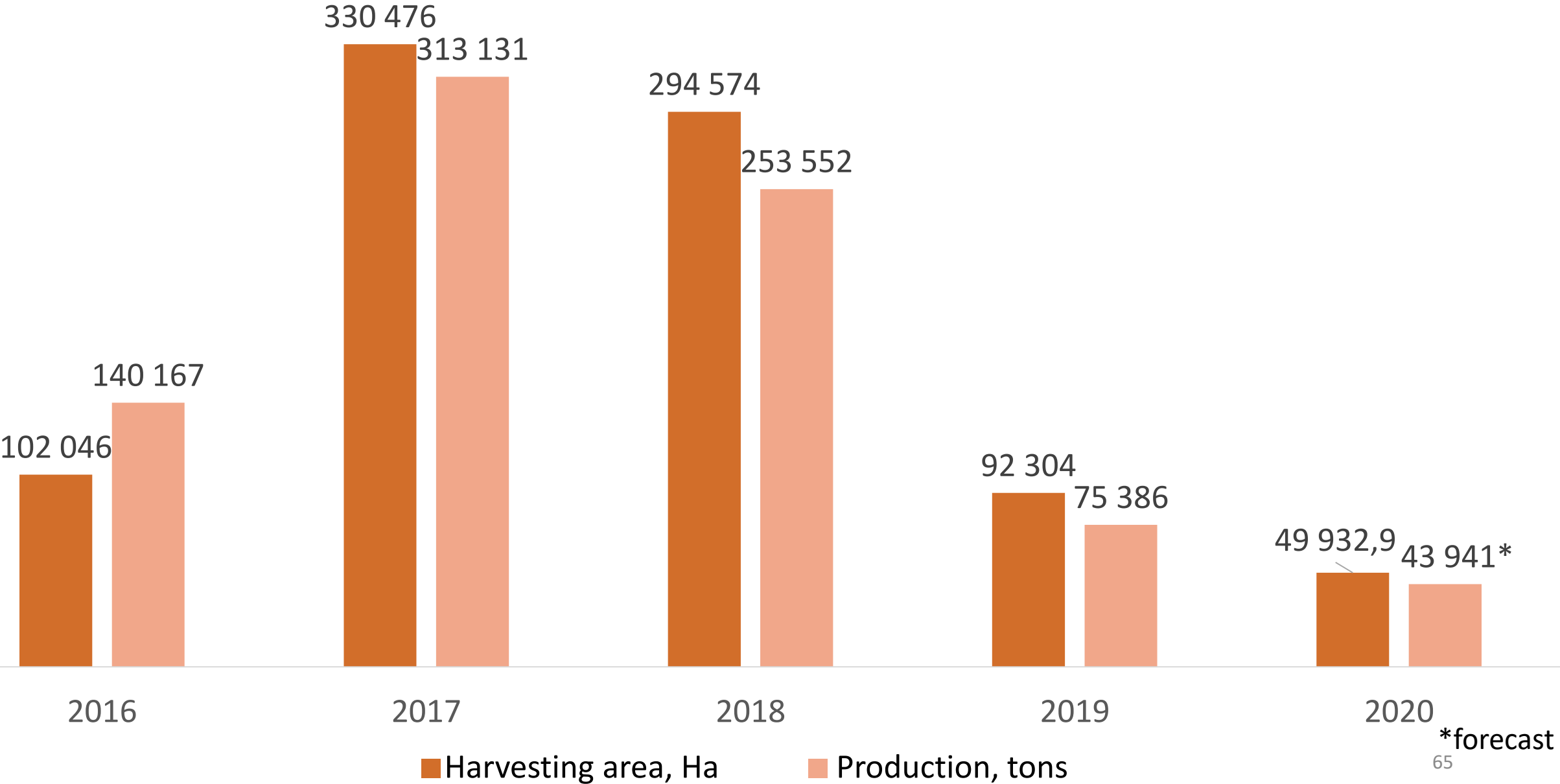
Lentils world production in the season 2019/2020



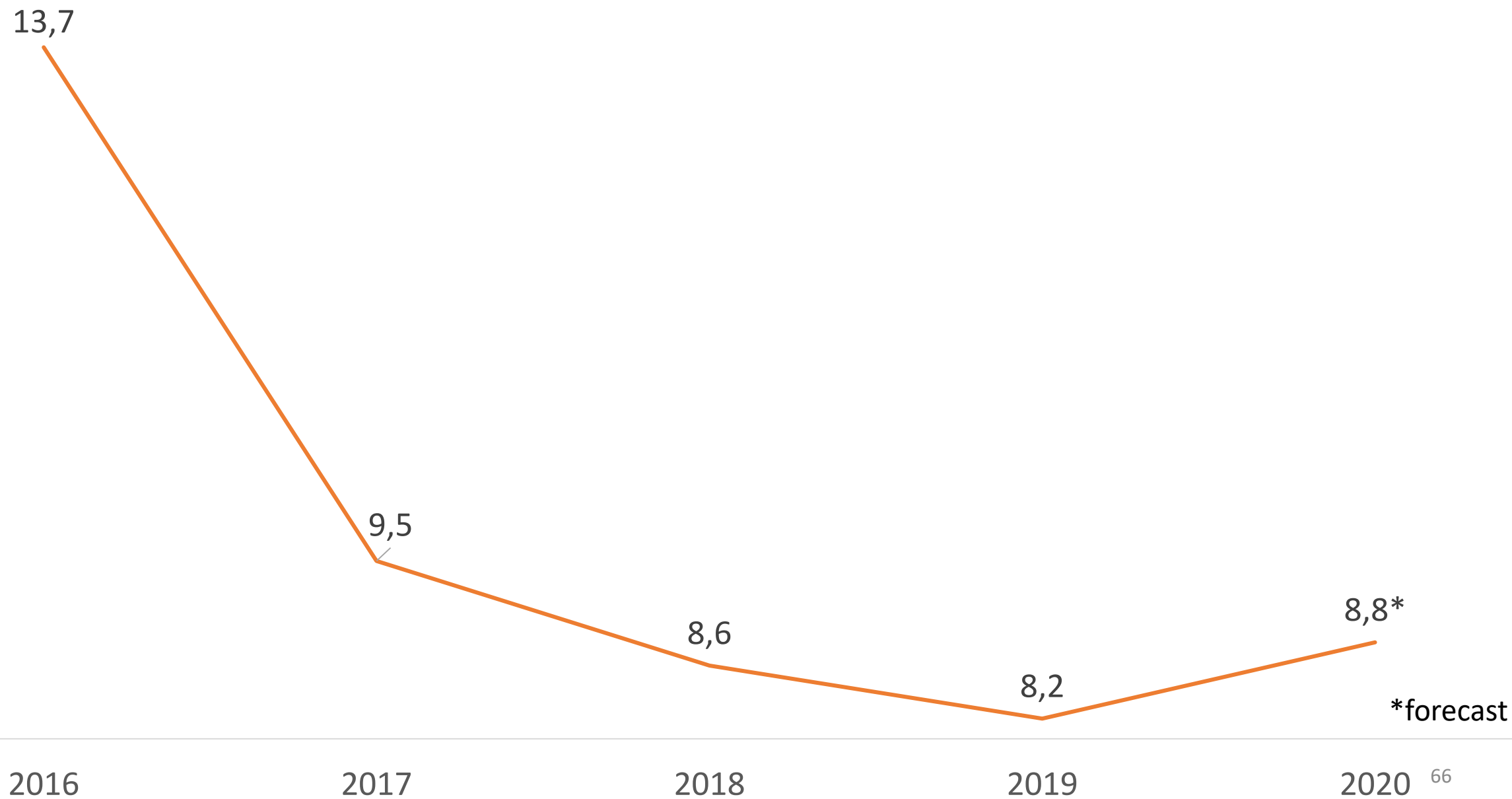
Lentils world market in the season 2019/2020



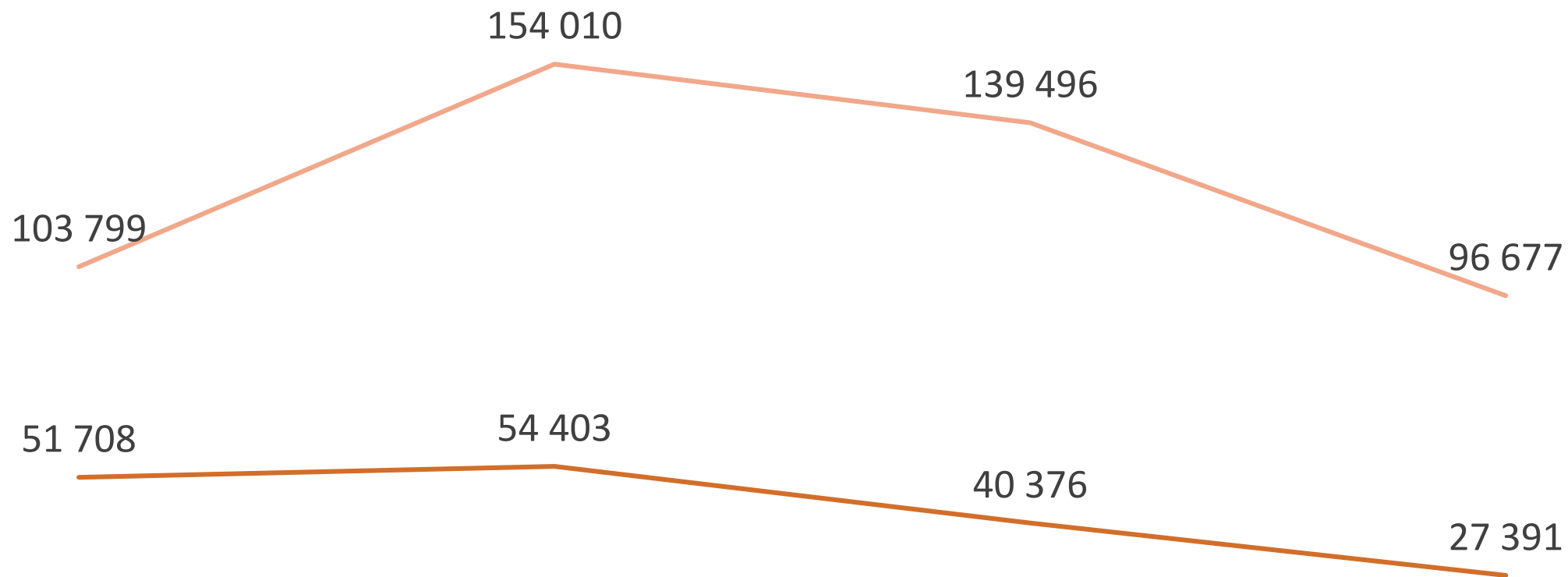
Lentils production in Kazakhstan, tons



Average yield, centners per Ha



Export of Kazakh lentils



2016-2017

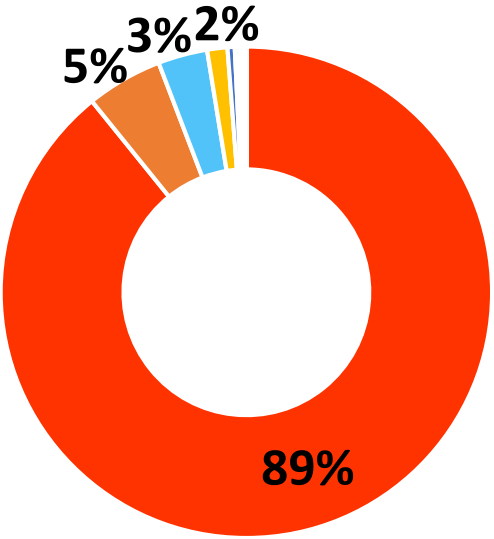
2017-2018

2018-2019

2019-2020

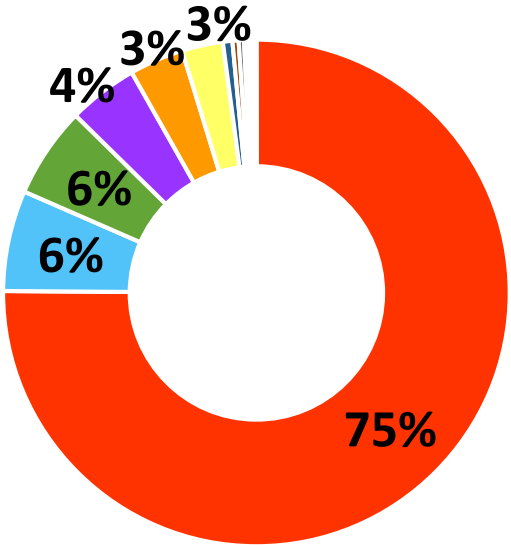
— Export, tons — Export, ths. USD

Export of Kazakh lentils



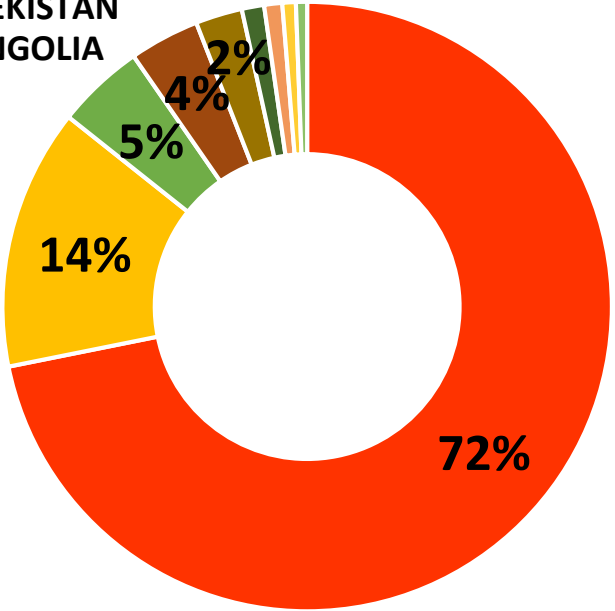
2017/2018

- TURKEY
- IRAN
- AFGHANISTAN
- AZERBAIJAN
- UAE
- POLAND
- ITALY
- TAJIKISTAN
- FRANCE
- SLOVENIA
- NETHERLANDS
- UZBEKISTAN
- MONGOLIA



2018/2019

- TURKEY
- AFGHANISTAN
- IRAN
- UAE
- AZERBAIJAN
- BANGLADESH
- TURKMENISTAN
- POLAND
- PAKISTAN
- ITALY
- TAJIKISTAN
- UZBEKISTAN

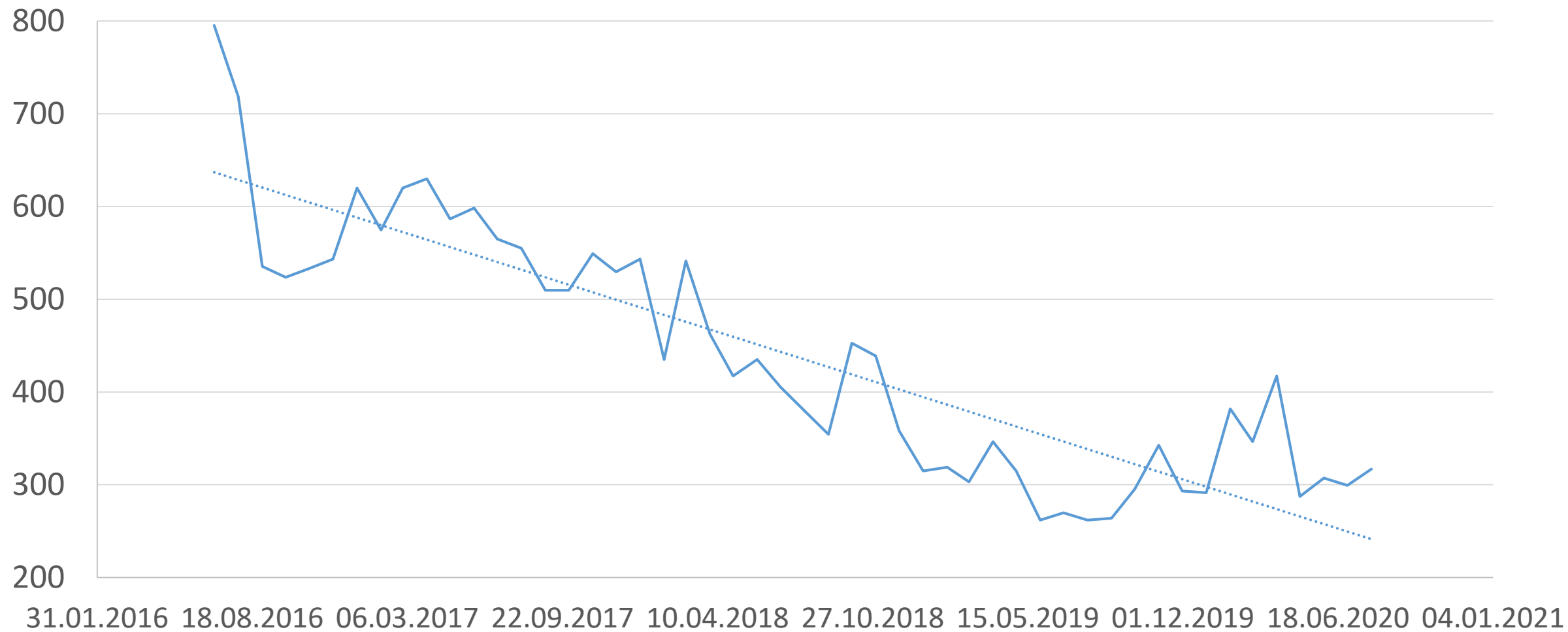


2019/2020

- TURKEY
- IRAN
- AFGHANISTAN
- UAE
- AZERBAIJAN
- UKRAINE

Lentils price dynamics on the example of EXW domestic prices in USA, USD/tons

Src: USDA



CEREALS, OILSEEDS, PULSES: 2019/2020 season results and 2020/2021 season perspectives



SPEAKER

**Mrs. Gulmira
ABISHEVA**

Director General of
the Baltic Control
Kazakhstan LLP

**2020 harvest quality of cereals and pulses.
Problematic issues.**



2020 SOFT WHEAT			
QUALITY INDICATOR	Akmola region	North-Kazakhstan region	Kostanay region
Smell	ABSINTHIAL Natural	Natural	Natural
Color	Natural	Natural	Lack of color of 2-3 degree
Test weight, g/l	702 -815	710-760	726-760
Moisture, %	10,8-14,0	До 14,0	13,0-15.8
Wet gluten, %	19,9-38,5	18,0-23,0 23,0-30,0	24-29,0
FDM, unit	65-80	60-80	70-85
Protein, %	13-18	11 -12,5; 13-16	13.5-15,5
Falling number, sec	266-400	80-160	75-180
Foreign matter, %	1-8,3	160-250; 80-160	2-3
Grain admixture, % Including:	2,6-26,9	4,0-7,5	5,9-14
- sprouted	0,6-0,8	1,0-8,0	0,5-10
- green	1,5	1,0 – 3,0	0,8-1.0
Contamination	Not found	Not found	Not found

2020 DURUM WHEAT			
QUALITY INDICATOR	Akmola region	North-Kazakhstan region	Kostanay region
Smell	Natural	Natural	Natural
Color	Natural	Lack of color of 1 degree	Lack of color of 1 degree
Test weight, g/l	710-760	770-780	790
Moisture, %	14,0- 15,0	до 14,0	13,0
Wet gluten, %	27-42	22-26	32
FDM, unit	80-85	75-90	85
Protein, %	16,5	14,5-15,5	16,0
Falling number, sec	114	100-220	200
Foreign matter, %	0,6	2,0- 6,0	2,0
Grain admixture, % Including:	2,5	4,0- 6,0	4,0
- sprouted	0,6-0,8	0,5	0,6
- green	Not found	0,2	0,4
Contamination	Not found	Not found	Not found
Vitreousness, %	47-66	60-70	56

2020 BARLEY			
QUALITY INDICATOR	Akmola region	North-Kazakhstan region	Kostanay region
Smell	ABSINTHIAL	Natural	Natural
Color	Natural	Natural; Darkened	Darkened
Test weight, g/l	660-676	650-710	611
Moisture, %	9,5; 10,5	До 14,0	15,0
Protein, %	13,5	8,0; 11,0	14,5
Foreign matter, %	3,0	2,0; 4,0	5,0
Grain admixture, %,	2,0	4,0;	6,0
Contamination	Not found	Not found	Not found
<i>Strict restrictive norms against GMO in China</i>			

2020 PULSES		
QUALITY INDICATOR	North-Kazakhstan region (PEAS)	Kostanay region (PEAS)
Smell	Natural	Natural
Color	Natural	Natural
Moisture, %	13,0; 15,0	13,5
Contamination	Not found	Not found
Foreign matter, %	2,0; 5,0	2,0
Grain admixture, %	4,0 8,0	5,0

MAIN NONCONFORMITIES BY QUALITY INDICATORS

SOFT WHEAT/ DURUM WHEAT	BARLEY	PULSES
LOW FALLING NUMBER	FOREIGN MATTER	SIZE NONCONFORMITIES
UNNATURAL SMELL: ABSINTHIAL MALTY	UNNATURAL SMELL: ABSINTHIAL MALTY	MIXTURE OF TYPES LACK OF MARKETABLE STATE
SPROUTED KERNELS	SPROUTED KERNELS	
QUARANTINE OBJECTS: SMARTWEED	QUARANTINE OBJECTS: SMARTWEED	
FUSARIUM		

QUALITY DEFINING FACTORS

CLIMATE CONDITIONS	STORAGE CONDITIONS
WEATHER DURING HARVESTING MAKES HIS CORRECTIVES. Heavy rainfall in the second decade of September led to a deterioration in quality indicators: 1. Increase of humidity 2. Increase of the number of sprouted kernels, and as a consequence: - increase of falling number; - increase of grain admixture; - reduction of test weight of barley. There's also a danger of grain to get under the autumn frosts, and as a result the number of frost kernels will increase: - an unusual smell will appear; - the quality of gluten will deteriorate (crumbling, low FDM). THE ABOVE QUALITY INDICATORS, IN THE CASE OF DECREASING, WILL REDUCE THE DEMAND FOR EXPORT IN THE DIRECTION OF TRADITIONAL SALES MARKETS.	It is necessary to comply with the conditions for storing grain at elevators in order to ensure the quantitative and qualitative preservation of grain, as well as timely implementation of measures provided by the technological processes: CONDITIONING , DRYING, VENTILATION.

CEREALS, OILSEEDS, PULSES: 2019/2020 season results and 2020/2021 season perspectives



SPEAKER

**Mr. Zhandos
ESMAGUL**

Business
development
manager of the
SGS Kazakhstan Ltd

Export quality requirements for oilseeds and products of their processing.

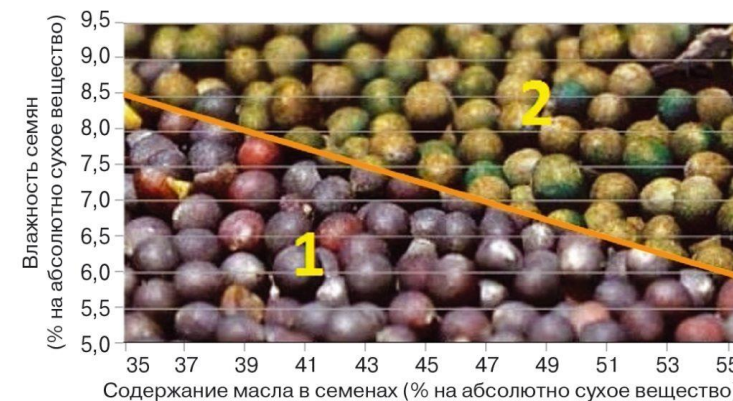


SEED QUALITY - PRODUCT QUALITY - GROWING CONDITIONS

Oilseeds are sensitive to:

- Soil moisture content
- Solar radiation intensity
- Temperature

It has been established that, depending on the climate and changes of weather conditions, the fat content in the seeds of oil plants can vary by 10-15%.



1 – качественные семена рапса, 2 – некачественные семена рапса (бурая или серая окраска).

FLAX SEEDS IN KAZAKHSTAN

- Oil content on average 42.8%
- Growing zones: Akmola, Kostanay and North-Kazakhstan regions
- Export to EU countries (Belgium), as well as to Belarus, Poland, Afghanistan and Turkey
- Quality indicators of the 2020 harvest:
 - oil content is in the range of $\approx 42.8\%$ on dry weight
 - amount of free fatty acids (FFA) is not more than 0.8%
 - Acid value does not exceed the permissible limit of 2.0 mg KOH



SPRING RAPE SEEDS IN KAZAKHSTAN

- Oil content up to 50%, and protein up to 18-23% per dry weight of seeds, while the protein is well balanced in amino acid composition
- Growing zones: North Kazakhstan, Akmola, Kostanay and Pavlodar regions
- Export to Iran, Belgium, Mongolia and other countries, export of rapeseed to China and Italy is planned
- The seeds contain toxic compounds: erucic acid and glucosinolates
- Quality indicators of the 2020 harvest:
 - oil content is within $40 \div 45\%$ (dry weight)
 - amount of erucic acid is not more than 1% with a limit of 2.0%
 - glucosinolates do not exceed $15 \mu\text{mol} / \text{g}$ (with a limit of $25 \mu\text{mol} / \text{g}$).
 - amount of free fatty acids (FFA) within 0.2-0.6% did not exceed the permissible limit (2.0%)



SUNFLOWER SEEDS IN KAZAKHSTAN

- Oil content 45-50% on dry weight, and protein up to 21% on dry weight of seeds
- Growing zones: East Kazakhstan region (~ 60% of the volume of oil seeds produced), as well as Pavlodar and Almaty regions
- Export to China, Iran and Uzbekistan
- Quality indicators of the 2020 harvest:



- oil content within 40 ÷ 50% (dry weight)
- number of broken - 1.5%
- number of overheated - 1.7%
- number of eaten - 1.8%
- amount of aflamycotoxins does not exceed the allowed limit

SOYBEANS IN KAZAKHSTAN



- Oil content up to 27%, and protein 30-52% on dry weight of seeds
- Growing areas: Almaty region (98% of all soybeans), there are successful attempts to produce soybeans in the north
- Export: Sweden, Uzbekistan, Tajikistan, Kyrgyzstan

OILSEED CAKES AND MEAL



- Oilcakes are twice or more superior to bran in the content of nitrogenous compounds, and are also rich in oils (up to 10%)
- Rapeseed cakes and meal are close in quality to soybean cakes and contain up to 40% of protein.
- Flaxseed cakes contain up to 35% of protein and about 32% of nitrogen-free extractives
- Export to China and Iran

The main physical and chemical parameters of the cake of some oilseeds

Type	Humidity, %	Nitrogenous substances, %	Nitrogen-free extractives, %	Cellulose, %	Ash, %	Fat (oil content), %
Flaxseed cake	12,0	28,0	30,0	11,0	8,0	11,0
Sunflower cake	9,3	35,3	23,5	10,6	7,9	13,4
Rapeseed cake	11,5	31,6	29,3	11,0	7,0	9,6

VEGETABLE OILS OF KAZAKHSTAN



- Primary cold pressed vegetable oils, are then further processed
- Export to European countries, besides China and Iran.

- High quality requirements:
 - organoleptic
 - physicochemical indicators: iodine number, acid number, peroxide number, saponification number and unsaponifiable residue, mass fraction of non-fatty impurities, mass fractions of sediment and phosphorus-containing substances, moisture and volatile substances, etc.
 - fatty acid composition, etc.

STRICT CONTROL OF SAFETY INDICATORS OF OILSEEDS AND PRODUCTS OF THEIR PROCESSING



- Concentration of heavy metals (lead, arsenic, cadmium, mercury)
- Number of residual pesticides, etc.
- Mycotoxin content (aflatoxins, ochratoxin, deoxynivalenone, zearalenone).

Permissible limits of contaminants in crude sunflower oil (ISIRI №10086)

No	Pollutant type	Maximum
1	Lead, ppm	0,1
2	Arsenic, ppm	0,1
3	Hexane residues, ppm	290
4	Polycyclic aromatic hydrocarbons, ppm	2
5	Mineral oils	Not found



**THANK YOU FOR
YOUR KIND ATTENTION**