Kazakhstan
Agro-commodities market: **Trends and opportunities on main crops**

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Kazakhstan in figures

"Grain belt of Kazakhstan"

9th largest country in the world

- 2,724,900 square kilometres (1,052,100 sq mi)
- 544 million acres (more than 80% of the land) - agricultural land
- 168 million acres of pastureland for the organization of organic livestock
- Kazakhstan's largest crop is wheat. It ranks as the tenth largest wheat producer in the world
- Kazakhstan produce more up to 25 mln tons of the main Grain and Oil crops. More than half of it goes to export

Geo position

- Neighboring to Russia, China, Central Asia Countries, Iran and Caucasus
- 500 mio. people live in Kazakhstan within a radius of 1,2 thousand miles.
- The reviving of the "Silk Road"
  - ✓One Belt, One Road
  - ✓The Khorgos Gateway (a "dry port")
  - ✓West China West Europe road

Main advantages

- **Advantageous geographical position**
- **Availability and access to Land**
- **Favorable conditions for agriculture**
- **Government Support for Investment Projects**
- **Stable political environment**

Kazakh Grain Union

Established in **1995**

Mission: **creating of favorable conditions for the sustainable development of the grain market of Kazakhstan**

Members of Grain Union 171 Grain Market Players

76 producing companies (farmers and agroholdings)

34 trading companies

43 storage elevators

7 suppliers of chemicals and machinery

4 survey and certification companies

Key numbers

More than **3 ml. ha** of crop area or **17%** of the total acreage in Kazakhstan

More than **6.5 mln**. Tons of grain storage capacity or **24 %** of the total storage in Kazakhstan

More than **5 mln. tons** of grain export or **70%** of the total export of Kazakhstan

Committees of Grain Union

Analytics Committee

Production Committee

Trade Committee

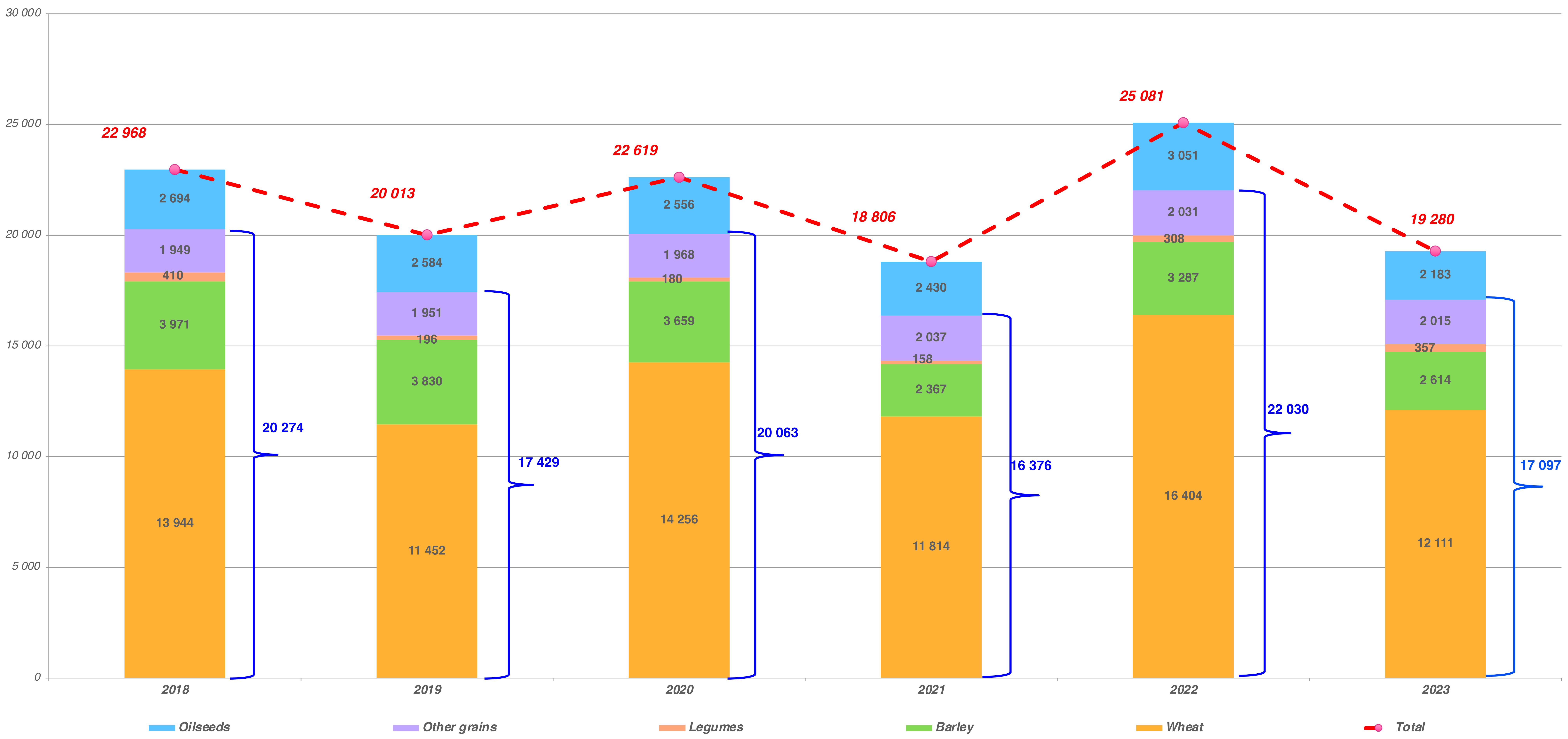
Logistic and Inspection Committee

Grain Processing Committee

Development and Cooperation Committee

Plant Protection Committee

Kazakh harvest grains, legumes and oilseeds production in net weight, thsd tons



Source by the Bureau of National statistics under the Agency for Strategic planning and reforms of the Republic of Kazakhstan

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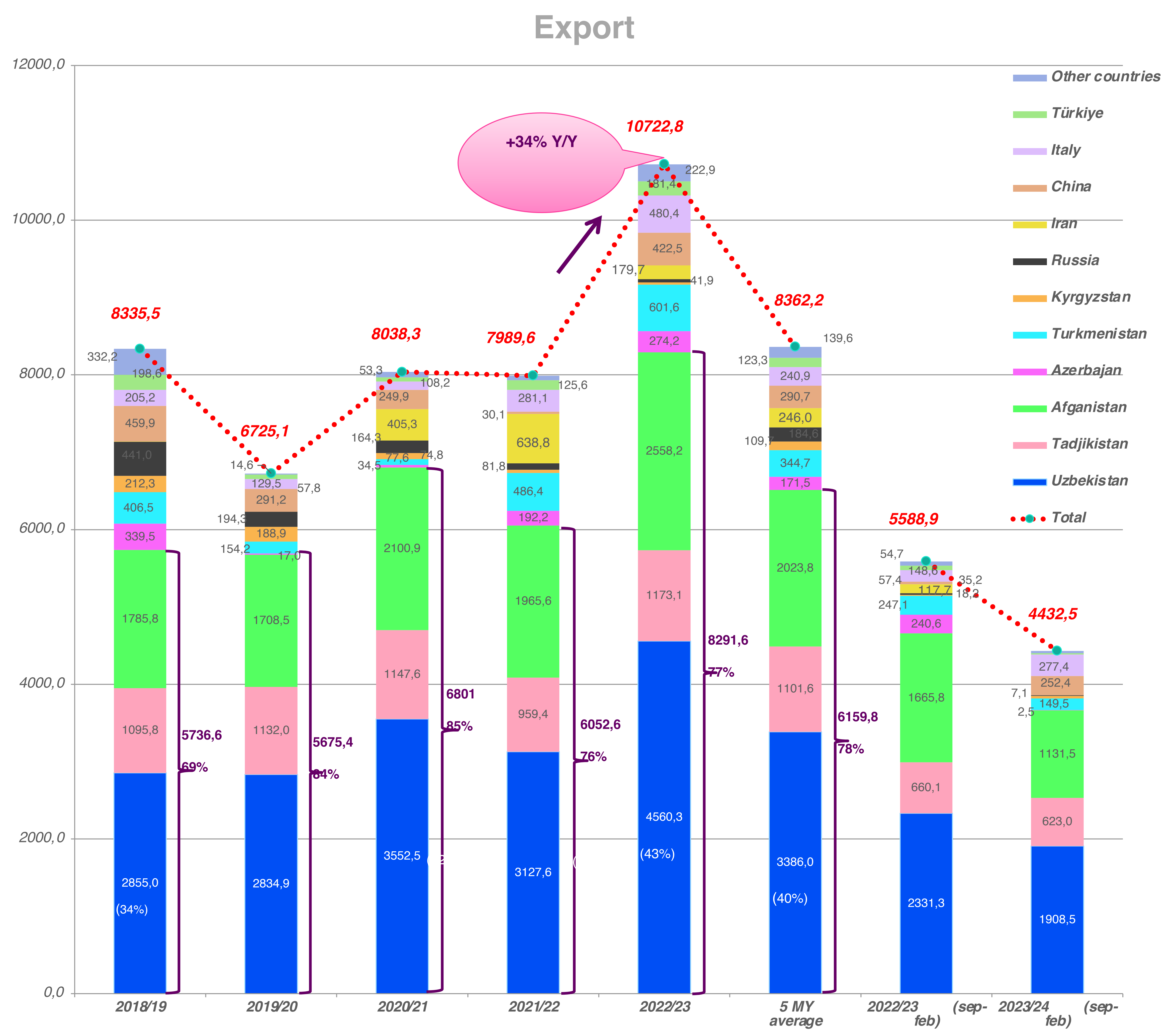
Kazakh Wheat export, inc. wheat flour in grain equivalent, thsd tons



MY: september - august

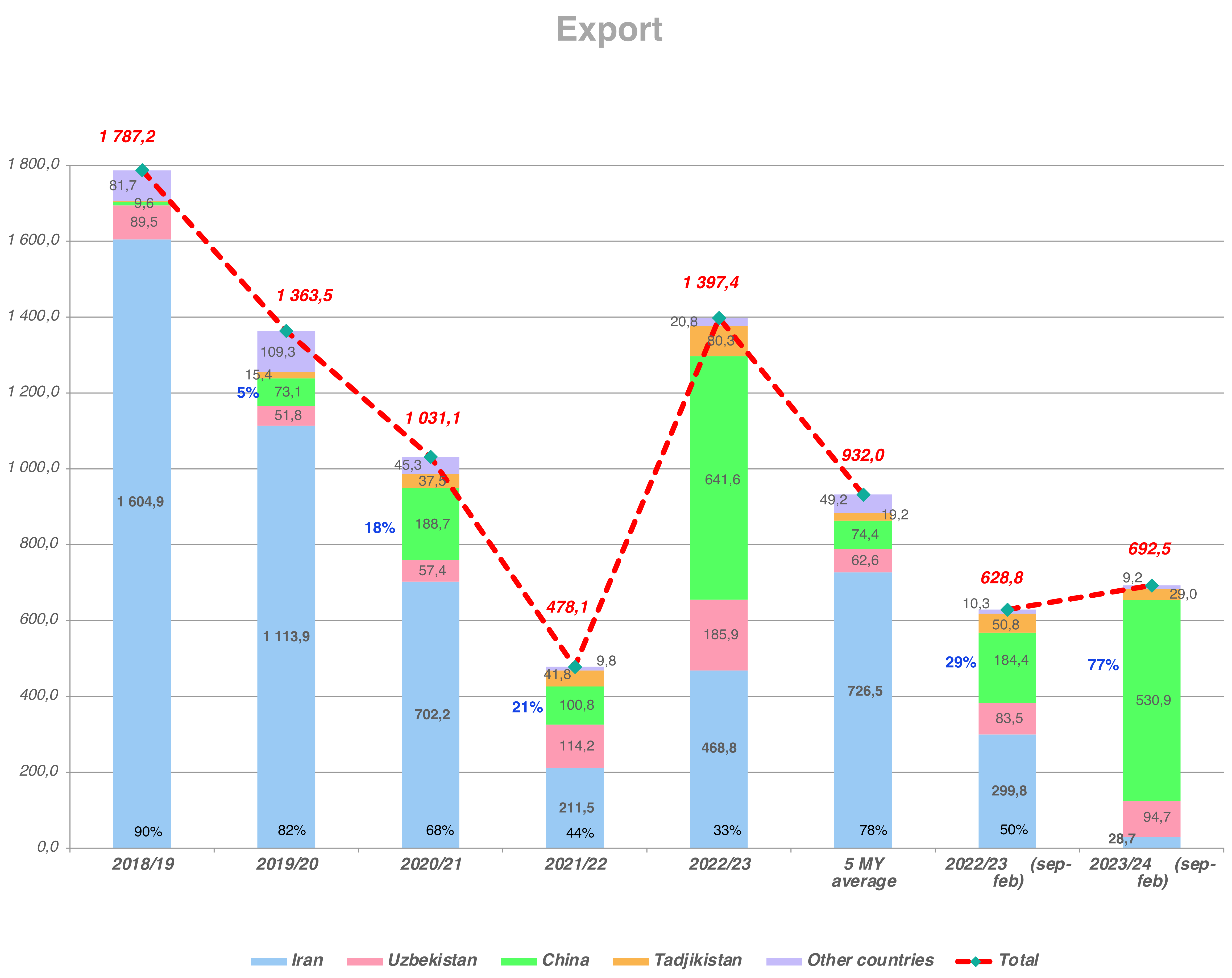
Source by the Bureau of National statistics under the Agency for Strategic planning and reforms of the Republic of Kazakhstan

Production

Year	Acreage, kha	Production, kt
2019	10 830	10 835
2020	11 678	13 784
2021	12 259	11 382
2022	12 246	15 570
2023	10 348	12 000
Ave	**11 473**	**12 283**

- Local market
  - The huge influence of Russian wheat in recent years. Closed exports between March and June 2022, huge production in the 2022-2023 trading season.
  - Export duties on Russian wheat outside the Eurasian Union
  - Transit duty on Russian wheat supplied outside the Eurasian Union
  - Ban on the import of Russian wheat into Kazakhstan by road
  - Restrictions on the import of Russian wheat by rail transport in Kazakhstan
- Harvest of 2023 with one of the worst quality in hystory
- Export
  - Central Asian countries continue to be the main export destination
  - China is becoming an important destination, but is still limited by China's export infrastructure and internal restrictions.
  - Iranian market lost due to pressure from Russian wheat

Production and export of Barley



Production

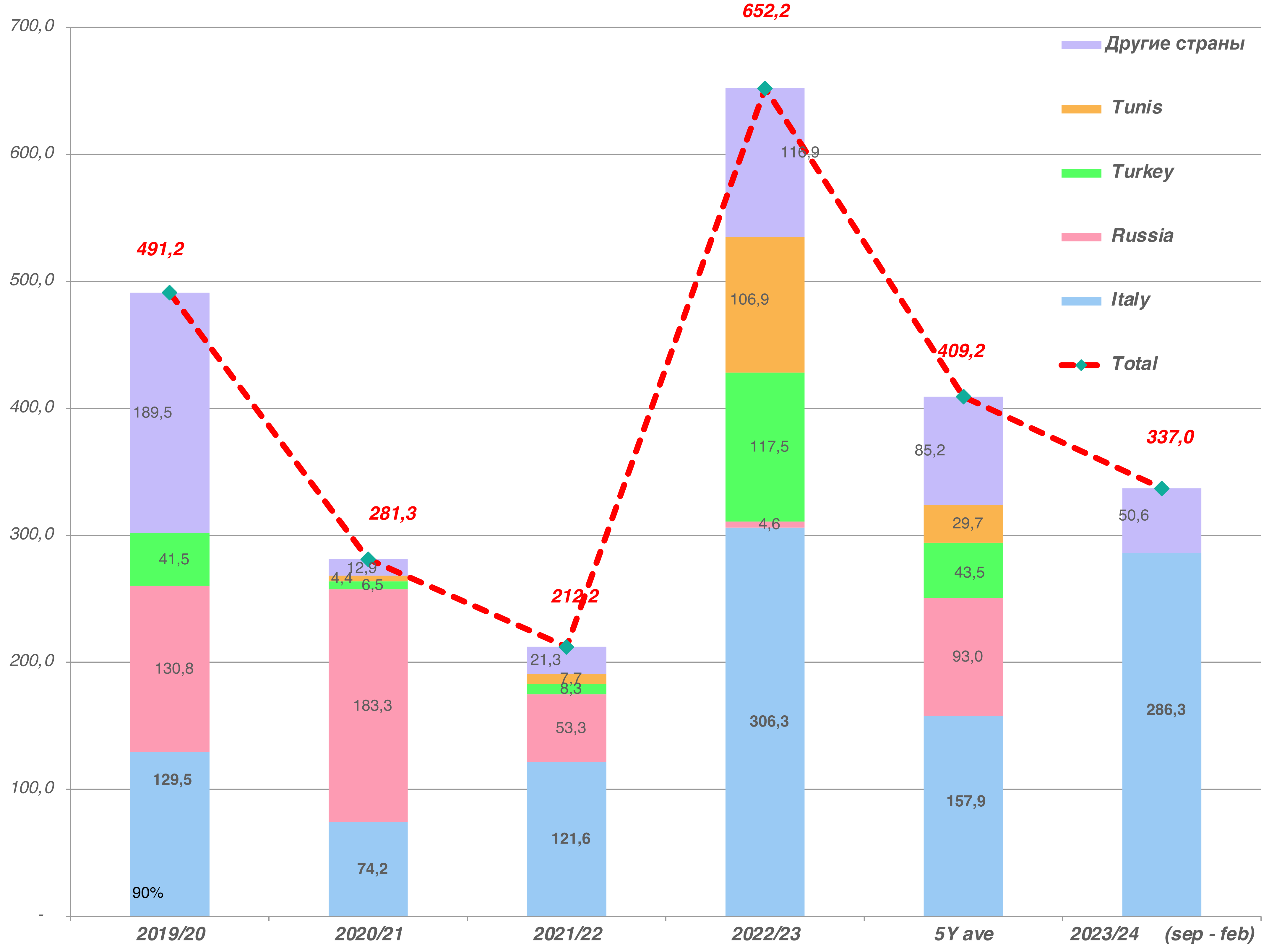
Year	Acreage, kha	Production, kt
2019	2 977	3 971
2020	2 729	3 830
2021	2 157	3 659
2022	2 176	2 367
2023	2 425	3 287
Ave	**2 493**	**3 422**

Comments:

- Last years we see significant decrease of demand on Barley from Iran market
- China became the most important market for Barley export as a result of development infrastructure in Alashankou station
- New trend of the season is feed flour (mix of flour of low quality wheat and barley)
- Rainy spring and delay with sowing can push farmers to plant more barley than it was planned before

MY: September - August
Source by the Bureau of National statistics under the Agency for Strategic planning and reforms of the Republic of Kazakhstan

Production and export of Durum



MY: september - august
Source by the Bureau of National statistics under the Agency for Strategic planning and reforms of the Republic of Kazakhstan

Production

Year	Acreage, kha	Production, kt
2019	466	615
2020	378	472
2021	454	430
2022	565	834
2023	486	535
Ave	**470**	**577**

Comments:

- Main direction of export is still Italy
- From March 2022 rout of export has been changed from Azov seas to Baltic sea which brings additional limitation for minimum size of bulk
- Harvest of 2023 with one of the worst quality in hystory
- Russian export of Durum is still closed and import duties in EU can bring come opportunities for Kazakh Durum
- KZ farmers more and more moving to use good genetics from European breeding companies which potentially will create better opportunity on high quality markets

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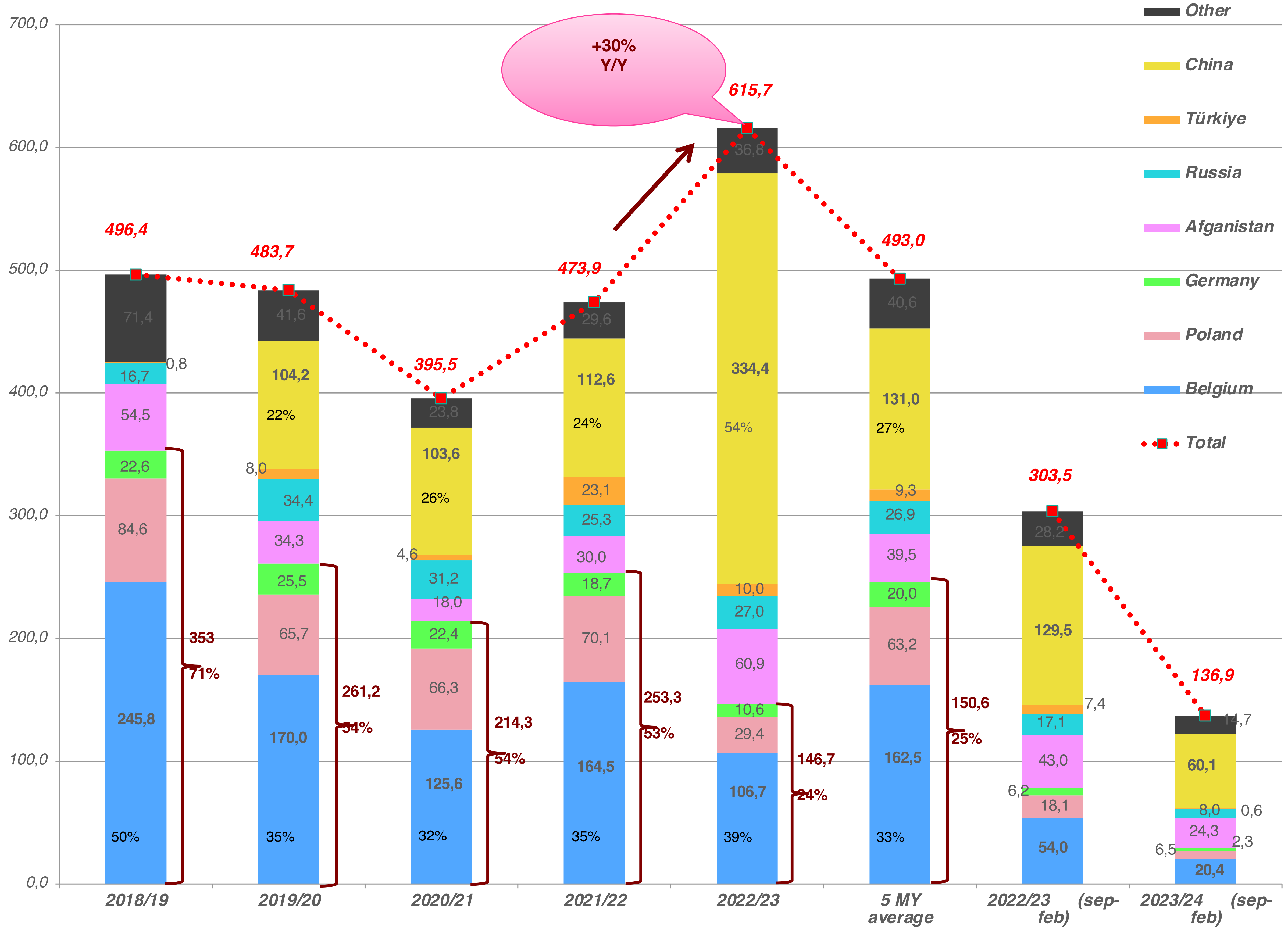
Production and export of Flax seeds

Export



MY: september - august
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Production

Year	Acreage, kha	Production, kt
2019	1 245	1 007
2020	1 343	1 058
2021	1 366	775
2022	1 345	845
2023	726	361
Ave	**1 205**	**810**

Comments:

- Export.
  - EU market still one of the main direction of the export (except las season)
  - China became more interesting market. Less price but lower logistic cost and less requirements on quality (pesticides contamination)
- Decrease of acreage last year based on increasing of pesticide contamination requirements from EU authorities and low price during previous trade season
- Expectation of increase of acreage in season 2024 up to 1 mln tons due to low profitability on other crops and growth demand form China
- Expectation of higher pressure of weeds and pests in this production season due to weather condition

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Risks and opportunities KZ agro commodities

RISKS

Risk for yield and quality because of the late sowing due to rainy spring

Continue of pressure by Russian agro commodities on the key markets

Unforecastable weather condition.

Risk of sanction for all commodities which comes through Russia (still main way for KZ export to Europe)

Unstable economic situation in important markets (Tajikistan, Afghanistan)

OPPORTUNITIES

Increasing the flexibility of Kazakhstan's farmers and traders

Potentially high yield due to weather conditions last fall and this spring.

Less supply from Russia due to drought in southern Russia and frost in central Russia this spring

Sanctions on Russian goods in the EU in case if they will not be implemented for KZ commodities

Improving export infrastructure towards China

THANK YOU FOR YOUR INTEREST!