

Main indicators of food and processing industries development

Share of production in cash terms in the total manufacturing industry by results of 2013 amounted to 16.5% only, in the entire industry the share is negligible and amounts to 5.4%.

At the same time, the largest share in food and processing industries is engaged by production of grain mill products, starches and starch products - 23.5%, production of beverage - 21%, dairy products - 16.3%. The lowest proportion is hold in this range by processing and preserving of fish, crustaceans and shell-fish - 0.84%, production of ready-made animal feeds - 1.8%.

Dynamics of production of food and processing industries in cash terms

million tenge

	2009	2010	2011	2012	2013
Industry total:	9 121 525	12 105 526	15 929 052	16 851 775	18 178 829
Processing industry	2 945 966	3 844 659	4 801 407	5 446 749	5 882 456
Food production	629 756	695 245	828 005	865 570	973 030
Meat processing and preservation and production of meat goods	69 686	77 570	102 821	120 119	130 803
Processing and preserving of fish, crustaceans and shell-fish	7 305	8 059	9 600	8 427	8 132
Processing and preserving of fruits and vegetables	69 626	68 261	87 580	79 788	79 033
Production of vegetable and animal oils and fats	42 851	85 557	72 277	83 066	75 642
Dairy production	103 518	117 332	132 769	137 912	158 310
Production of grain mill products, starches and starch products	127 924	119 639	168 218	179 461	228 417
Production of baked and starchy foods	115 323	120 061	133 641	140 400	148 564
Production of other food products	86 153	90 917	109 044	102 328	126 760
Production of ready-made animal feeds	7 370	7 848	12 056	14 067	17 369
Beverages production	120 707	149 693	153 243	181 950	207 810

* according to the Committee on statistics of the Ministry of national economy of the Republic of Kazakhstan

Standards of main food products consumption in the Republic of Kazakhstan

item	Product	min. rate of consumption in RK kg/year per capita*	population	annual consumption by min. rates, tons	Actual consumption k/year per capita*	annual consumption by actual consumption, tons*
1	2	3	4	7	8	11
1	Bread and baked products	120,0	17 160 774,0	2 059 292,9	124,5	2 136 190,3
2	Meat and meat products	48,0	17 160 774,0	823 717,2	69,7	1 195 900,0
3	Milk and dairy products	260,0	17 160 774,0	4 461 801,2	228,6	3 922 541,1
4	Vegetable oil	8,8	17 160 774,0	151 014,8	18,2	312 497,7
5	Sugar	18,0	17 160 774,0	308 893,9	39,1	670 214,0
6	Eggs, thousand pieces	142,0	17 160 774,0	2 436 829,9	158,1	2 712 517,7
7	Fish	8,4	17 160 774,0	144 150,5	11,3	194 157,0

*- order of the Ministry of health of RK dated 13.12.2005 No. 617

- information of the Committee on statistics of the Ministry of national economy of RK for 2013

In general, actual consumption of basic food by population exceeds the minimum standards for the various age groups of the population of the Republic of Kazakhstan, approved by order of the Minister of Health of the Republic of Kazakhstan dated 13.12.2005 No. 617.

At that, actual consumption of milk and dairy products is significantly below the minimum standards. This difference can be explained as by consumer preferences, and those that milk and dairy products (cheese, cottage cheese, kurt, ayran), produced in the private farmsteads and consumed by households themselves on a daily basis are not fully taken into account, given that about 45% of the population lives in the countryside.

Self-sufficiency with main food products for 2013

Item	Product	2013				Sufficiency of population in food products, %
		Production, tons	Exports for 12 months, tons	Imports for 12 months, tons	Consumption	
1.	Macaroni goods	151 396,0	23 669,6	27 806,6	155 533,0	97,3
2.	Sausage goods	41 058,0	34,8	36 020,5	77 043,7	53,3
3.	Processed milk	476 842,0	18 813,1	40 365,3	498 394,2	95,7
4.	Fermented milk products	187 006,0	3 881,6	36 604,0	219 728,4	85,1
5.	Soft butter	13 482,0	249,2	8 738,6	21 971,4	61,4

6.	Cheeses and cottage cheese	21 800,0	491,2	22 531,7	43 840,5	49,7
7.	Vegetable oil - total	275 664,0	34 061,7	115 001,1	356 603,4	77,3
8.	Sand sugar	331 445,0	14 263,1	105 579,1	422 761,0	78,4

* calculation made upon data of the Committee on statistics of the Ministry of national economy of RK

In general, the level of sufficiency with products of food industry is on the cusp from 50 to 97%.

High share of imports is present on the products of deep processing of milk (butter, cheese and cottage cheese) and meat (sausages), sand sugar.

To reduce dependence on foreign markets, measures of state support are taken. In particular, measures of financial and non-financial support of these industries are reflected in the adopted in 2013 sectorial program “Agribusiness 2020”, master plans for priority sectors of agriculture, which are available on the web-site of the Ministry of Agriculture, and under the second phase of the program of industrialization of the State Program for Industrial-Innovative Development of the Republic of Kazakhstan for 2015-2019.

Under the sectorial program “Agribusiness 2020” adopted by the Government of the Republic of Kazakhstan in 2013, the Ministry of Agriculture as Administrator of the program is subsidizing part of the costs at investments by 18 priority directions provided by the Rules of subsidizing approved by the Resolution of the Government of the Republic of Kazakhstan dated April 29, 2014 No. 421.

1. Meat processing

Balance of sausage and goods from meat, meat sub-products or animal blood in RK, tons (Баланс колбас и изделий аналогичные из мяса, субпродуктов мясных или крови животных в РК, тонн (calculated as raw material))

Indicator	2008	2009	2010	2011	2012	2013
Production	39 496,00	38 965,00	35 160,00	37 947,00	39 566,00	41 058,00
Imports	28 405,40	25 363,60	25 475,90	30 993,90	34 750,60	36 020,50
Resources	67 901,40	64 328,60	60 635,90	68 940,90	74 316,60	77 078,50
Exports	12,8	1,5	0,8	0,1	14,7	34,8
Sale at domestic market	67 888,50	64 327,10	60 635,10	68 940,80	74 301,90	77 043,70

* According to the Committee on statistics of the Ministry of national economy of RK

Situation with the production of sausages and similar products from meat for the last 6 years has not undergone significant changes. The imports of sausages increased by 22%. Also there has been an increase in exports by 2.7 times. Share of imports is not reduced and by the end of 2013 amounted more than 45%. The main importer of sausages is Russia.

Balance of ready-made and preserved products from meat in the Republic of Kazakhstan (calculated by raw material), tons

Indicator	2008	2009	2010	2011	2012	2013
Production	48 569,0	47 936,0	50 728,0	54 393,0	60 502,0	63 919,0
Imports	33 740,8	29 353,7	28 586,8	34 745,9	40 508,3	41 244,1
Resources	82 309,8	77 289,7	79 314,8	89 138,9	101 010,3	105 163,1
Exports	66,2		518,8	646,2	1 166,9	1 807,6
Sale at domestic market	82 243,60	77 289,7	78 796,0	88 492,7	99 843,4	103 355,6

** According to the Committee on statistics of the Ministry of national economy of RK*

In to the position “ready-made and preserved products from meat” there is also a slight increase over the last 6 years by about 31.6%. There is an increase in exports by 27.3 times, against its almost minimum value in 2008.

The main factors hindering development of the meat-processing industry are:

- seasonal nature of the production of raw materials;
- high proportion of obsolete and worn-out equipment, besides quite costly in energy-consuming and maintenance;
- relatively high cost of raw materials, making domestic products less attractive for the price compared to imported products.

2. Milk processing

Dairy industry has always been one of the basic sectors of the economy, which accounts for 16% of the volume of foods produced in the country. By the results of 2013 production of marketable milk in the country in all categories of farms was 4891 thousand tons.

In general, this market remains positive trend. In the country there operated about 250 small plants with capacity from 5 to 50 tons of milk per day.

The volume of dairy production in 2013 in average increased by 18.2% compared to 2012. Production of processed liquid milk and cream in 2013 amounted to 440.3 thousand tons, increased by 26 thousand tons.

Dynamics of dairy production in RK, tons

Item	2008	2009	2010	2011	2012	2013
Processed liquid milk and cream	265 508	250 684	294 957	338 505	372 500	440 341
Milk in solid form	3 403	3 051	2 612	2 880	1 794	2 402
Soft butter	16 598	15 341	14 000	14 577	12 245	14 075
Cheese and cottage cheese	15 473	15 591	16 342	17 595	19 177	22 120
Dairy products, others	125 599	126 613	139 071	159 185	180 711	207 993

According to the Committee on statistics of the Ministry of national economy of RK

In general, the population of the country is provided milk and dairy products (in milk equivalent). It should be borne in mind that most of milk is used in the non-processed form, which is mainly used by the rural population.

However, dependence on imported products of deep processing of milk is preserved.

For example, share of imports in domestic consumption of processed milk and cream is 8%, dry milk - 96%, condensed milk - 39%, soft butter - 39%, cheese -51%.

3. Processing and preservation of fruits and vegetables

In total share of total food production share of canned fruits and vegetables is 8%.

Consumption of fruit and vegetable juices in Kazakhstan by 81.2% is provided with domestic production, and 19.4% is imported from abroad. Thus, vegetable and fruit juices have more opportunities for import substitution, due to the fact that there is a positive trend of agribusiness towards diversification of areas for gardens, gourd fields, and its further processing.

Balance of fruit and vegetable juices in RK, tons

Indicator	2010	2011	2012	2013
Production	216 212,30	266 452,80	226 434,40	207 673,80
Imports	38 705,30	38 651,30	47 699,20	49 700,70
Resources	254 917,60	305 104,10	274 133,60	257 374,50
Exports	2 336,20	1 258,70	1 168,70	1 549,10
Sale at domestic market	252 581,40	303 845,40	272 964,90	255 825,40

Balance of vegetables processed and preserved, except for potato in RK, tons

Indicator	2008	2009	2010	2011	2012	2013
Production	14 278,00	15 582,00	16 951,00	18 676,00	17 824,00	16 002,00
Imports	70 093,70	57 385,70	63 350,30	66 310,40	75 149,20	68 433,50
Resources	84 371,70	72 967,70	80 301,30	84 986,40	92 973,20	84 435,50
Exports	1 662,70	877	1 436,20	2 652,50	2 124,50	931,4
Sale at domestic market	82 709,00	72 090,70	78 865,10	82 333,90	90 848,70	83 504,10

** According to the Committee on statistics of the Ministry of national economy of RK*

Share of imports of canned and processed vegetables in total volume of domestic market is 82%. Nowadays own production does not meet the needs of domestic market, due to the lack of raw materials, working capital and equipment. Own production of vegetables, melons, and potato covers domestic consumption for these goods in fresh kind in the summer. Accordingly, there is a shortage of raw materials for processing in the autumn-winter season.

It should be noted that production of canned fruits and vegetables in Kazakhstan is mainly concentrated in the southern, the south-eastern regions of Kazakhstan, where most of the processing enterprises are concentrated and raw material base is developed.

Concentration of production of canned vegetables (tomatoes) in Almaty city is due to the presence of infrastructure and logistics, large market, access to cheap raw materials markets and financial resources.