

STATE REGULATION OF FOOD SECURITY  
IN THE REPUBLIC OF KAZAKHSTAN

ГОСУДАРСТВЕННОЕ РЕГУЛИРОВАНИЕ ПРОДОВОЛЬСТВЕННОЙ  
БЕЗОПАСНОСТИ В РЕСПУБЛИКЕ КАЗАХСТАН

ҚАЗАҚСТАН РЕСПУБЛИКАСЫНДАҒЫ АЗЫҚ-ТҮЛІК  
ҚАУІПСІЗДІГІН МЕМЛЕКЕТТІК РЕТТЕУ

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**Abstract.** The relevant issues of ensuring the country's food security in the context of implementing agricultural policy have been considered. The authors pay attention to the development of priority sectors of agroindustrial complex of Kazakhstan, justification of the methods and directions of increasing the competitiveness of agricultural production and food. The main measures aimed at ensuring food independence have been analyzed. The constraining factors of the processing sector development, which plays an important role in the development of production of domestic food products, have been presented. The analysis of the legislative and regulatory framework of the Republic of Kazakhstan in the field of State regulation of food security has been conducted. The theoretical and statistical data have been analyzed to identify main measures that contribute to the elimination of internal and external threats to food independence assurance.

**Аннотация.** Рассмотрены актуальные проблемы обеспечения продовольственной безопасности страны в контексте реализации аграрной политики. Авторы уделяют внимание вопросам развития приоритетных отраслей АПК Казахстана, обоснованию методов и направлений повышения конкурентоспособности аграрного производства и продовольствия. Проанализированы основные меры, направленные на обеспечение продовольственной независимости. Показаны сдерживающие факторы развития перерабатывающего сектора, играющего важную роль в развитии производства отечественной пищевой продукции. Проведен анализ законодательной и нормативной базы Республики Казахстан в области государственного регулирования продовольственной безопасности. Проанализированы теоретические и статистические данные, позволяющие определить основные меры, способствующие ликвидации внутренних и внешних угроз для обеспечения продовольственной независимости.

**Аңдатпа.** Еліміздің азық-түлік қауіпсіздігін қамтамасыз ету мәселелері аграрлық саясатты жүзеге асыру қаралған. Авторлар Қазақстанның АӨК басым салаларын дамыту, аграрлық өндіріс және азық-түліктің бәсекеге қабілеттілігін арттыру әдістері және бағыттары мәселелеріне баса назар аударады. Азық-түлік тәуелсіздігін қамтамасыз етуге бағытталған басты шараларға талдау жасалған. Отандық тағам өнімі өндірісін дамытуда маңызды рөл атқаратын қайта өңдеу секторын дамыту факторлары көрсетілген. Қазақстан Республикасының азық-түлік қауіпсіздігін мемлекеттік реттеу саласындағы заңдық және нормативтік базасына талдау жасалған. Азық-түлік тәуелсіздігін қамтамасыз ету үшін ішкі және сыртқы қауіптерді жоюға әсер ететін басты шараларды анықтауға мүмкіндік беретін теориялық және статистикалық деректер талданған.



the economic impact of the state on the production, processing and sale of agricultural products, raw materials, food, as well as production and technical services and logistics of agro-industrial production. The need for state regulation of the AIC is conditioned by a number of circumstances, among which the following can be designated:

- the impact of agro-industrial and commodity markets on the macroeconomic situation;
- market failures in the area of ensuring an economically fair distribution of income;
- the impact of natural factors on the efficiency of agricultural production;
- demographic role of rural areas [ref. 1].

Ensuring food security as an element of national security at the legislative level is enshrined in the Law of the Republic of Kazakhstan dated January 6, 2012 «On National Security of the Republic of Kazakhstan» №527-IV ZRK (with amendments and additions as of 06.04.2016). In accordance with this Law, economic security is ensured by decisions and actions of state bodies, organizations, officials and citizens, aimed at:

- ◆ ensuring stability and sustainability of the development of the national economy, including its industrial-innovative component;
- ◆ ensuring financial, energy, food and transport independence of the Republic of Kazakhstan;
- ◆ preventing the economic isolation of Kazakhstan from the world economic system;
- ◆ maintaining the independence of the Republic of Kazakhstan and ensuring compliance with national interests in economic decision-making, including within the framework of supranational economic integration bodies;
- ◆ increasing in the share of production of domestic goods and services in the economy of the country, with the encouragement of competition and the restriction of monopoly;
- ◆ provision of physical and economic accessibility, conformity of goods and services produced, imported and sold in the Republic of Kazakhstan in accordance with the requirements of the legislation of the Republic of Kazakhstan to the level of their quality and safety, and a number of others.

Article 22 «Ensuring economic security» of the Law of the Republic of Kazakhstan «On National Security of the Republic of Kazakhstan» states that economic security includes financial, food, energy and transport security. This article defines *food security*, which provides the state of economic security, including the agro-industrial complex, in which the state is able to *provide physical and economic access* to the population of high-quality and safe food products, sufficient to meet physiological standards of consumption and demographic growth.

It should be noted that in Kazakhstan, ensuring food security is defined as the main tasks of state regulation of the agro-industrial complex, along with such tasks as the development of agro-industrial production, regulation of markets and maintenance of economic parity between agriculture and other sectors of the economy, the creation of an effective system for managing the agrarian sector of the economy, protection of domestic commodity producers, implementation of a unified scientific and technical policy in the agricultural sector and others. The main goal of sustainable development of the agro-industrial complex is to provide the population with food, food industry with agricultural raw materials, and preserve the country's food security.

In our opinion, the issue of Kazakhstan's food security is becoming especially important in the context of integration processes in the Eurasian Economic Union and the World Trade Organization, and also because of the mutual economic sanctions of the Russian Federation and the main Western countries.

Food security directly depends on the economic condition of the country, the development of the food complex, including the sectors that ensure its functioning. An important condition for ensuring the country's food security is the satisfaction of the basic part of the population's demand for food products at the expense of domestic production.

The Law of the Republic of Kazakhstan «On State Regulation of the Development of Agro-Industrial Complex and Rural Territories» (with amendments and additions as of April 9, 2016), (hereinafter the Law) was supplemented with Chapter 3-1 «State Regulation of Food Security» in accordance with the Law of the RK «On the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Food Security» dated 11.12.09 №229-IV.

However, in accordance with Article 19-1 of the Law, the criteria for ensuring food security are:

- physical accessibility of food products;
- economic accessibility of food products;
- guarantee of food safety.

It should be noted that the physical availability of food products determines the availability of food products throughout the republic at every point in time and in the required range.

Economic accessibility of food products is ensured by an increase in the income level of the population, which allows a citizen to purchase food, at least on a minimal level of consumption, regardless of social status and place of residence.

The guarantee of food safety is the absence of unacceptable risk in all processes (at stages) of development (creation), production (manufacture), turnover, utilization and destruction of food products associated with causing harm to

human life and health and violating the legitimate interests of consumers, probability of the implementation of a dangerous factor and the severity of its consequences [ref. 1].

According to the Law, the main directions of ensuring food security are the following:

- creation of necessary conditions for saturation of the domestic agro-food market, including by supporting domestic producers of agricultural products and products of its deep processing;

- monitoring the state of food security with respect to domestic food resources;

- forecast of supply and demand for food products;

- ensuring the safety of food products;

- interaction of central executive bodies and local representative and executive bodies with subjects of the agro-industrial complex.

A key role in ensuring food security is played by government measures aimed, first, at ensuring the growth of real incomes of the population, raising its living standards; second, on the sustainable development and functioning of the agro-food sector of the country's economy; thirdly, on the effective regulation of foreign trade in agricultural products, raw materials and food, and especially their imports, in order to protect the domestic food market and the economic interests of domestic producers against unfair competition.

At the same time, the development of the agro-food sector of the economy should become one of the main priorities of the state's social and economic policy, since reliable food provision for the population is impossible without the stable functioning of the country's agro-industrial complex and the food market. Improving food security will be facilitated by monitoring the agrarian sector of the economy using the food security criteria not only in the country, but also in certain regions, the staffing of the agro-industrial complex, without which innovative development and increasing the competitiveness of agriculture is impossible.

In accordance with the Law of the Republic of Kazakhstan «On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Food Security» dated December 11, 2009 № 229-IV ZRK, food security is provided by:

- ◆ the formation and use of regional stabilization funds of food products in accordance with the rules for the formation and use of regional stabilization funds of food products;

- ◆ monitoring the level of food security;

- ◆ excluding the purchase of genetically modified food products, foodstuffs containing genetically modified organisms in the regional stabilization funds for food products.

It should be noted that monitoring of the state of food security is carried out by the

authorized body in the field of agro-industrial complex development on the basis of data of local executive bodies and the authorized body that manages state statistics, including in real time. On the basis of monitoring the state of food security, the authorized body in the field of agro-industrial complex development forms state information resources in the field of food security.

In accordance with Article 19-2 of the Law of the Republic of Kazakhstan «On State Regulation of the Development of the Agro-Industrial Complex and Rural Territories» (with amendments and additions as of April 9, 2016), monitoring of the state of food security is conducted in relation to:

- the volume of production of food products, their commodity circulation and the availability of stocks;

- the formation, availability and use of regional stabilization funds of food products;

- the formation of state grain resources;

- prices for socially important food products.

According to scientists of the agrarian sector, the most important element of the implementation of state policy, serving food security, is the regulation of food markets through the purchase of food and food interventions. The external economic orientation of the state policy in the field of food security is to effectively implement the international division of labor in the food sector while preventing a critical dependence on food imports.

When establishing the criteria for the state of national food security, it is necessary to take into account that they must characterize the level of satisfaction of the population's food needs, as well as the degree of sustainability of the country's food supply.

To assess the level of the population's food supply, it is advisable to use the following criteria:

- production of 80-85% of the total volume of food products by domestic producers;

- consumption by the population of food products with the optimum level of caloric content (2353 kcal per day);

- conformity of quality of food products to requirements of technical regulations;

- ensuring a rational structure of nutrition and full satisfaction of the needs of the population in accordance with physiologically justified standards;

- creation of a renewable food safety reserve at the level of 25% of the annual volume of food consumption;

- the availability of a real opportunity to meet the demand for food products that are not produced domestically or produced in insufficient quantities, at the expense of imports;

- per capita production of at least 1 ton of grain [2].

The State Program for the Development of Agro-Industrial Complex in the Republic of

Kazakhstan for 2013-2020 «Agribusiness-2020» was approved by the Decree of the Government of the Republic of Kazakhstan dated February 18, 2013, №151, aimed at increasing the competitiveness of the subjects of the agro-industrial complex in the country and developing the agricultural sector of Kazakhstan as a whole. The goal of the program is to create conditions for increasing the competitiveness of the subjects of the agro-industrial complex of the Republic of Kazakhstan.

The main directions of the Program include the following 4 main areas:

- √ Financial recovery of agro-industrial complex subjects;
- √ Increase in economic accessibility of goods, works and services for agro-industrial complex subjects;
- √ Development of state systems for providing agro-industrial complex entities;
- √ Increasing the effectiveness of the state regulation of the agro-industrial complex.

Results of monitoring the implementation of this program for 2013-2015 allow to note that its implementation is carried out effectively; we can indicate the following positive indicators:

- the volume of gross agricultural output in 2015 amounted to 3307.0 billion tenge and compared with 2012 increased in nominal terms by 65.4%. This growth was due to an increase in the output of crop production by 86.0% (KZT 1,825.2 billion) and livestock products by 45.4% (KZT 1469.9 billion);
- fod production increased by 24% (in real 9.7%) and amounted to more than 1 trillion tenge;
- the inflow of investments into the fixed capital of agriculture increased by 24.7% (in real 12.4%) and amounted to 167.1 billion tenge;
- the volume of investments in fixed capital in food production increased by 50.5% (in real 43.8%) and amounted to 55.9 billion tenge;
- the import of agricultural products fell by 22.2%;
- labor productivity per employed in agriculture according to 2015 was 1231.4 with an annual plan of 720 thousand tenge [3].

Along with this, to increase the competitiveness of economic entities of the agro-industrial complex and their products, as well as ensure the country's food security, much attention is paid to the development of other priority sectors of agriculture. For example, currently, 15 master-plans for the development of the main sub-sectors of the agro-industrial complex are being realized within the framework of the «Agribusiness-2020» program, including the development of processing of agricultural products, fruit and vegetable production, meat poultry, etc.

In the master plan for the development of the processing industry, to solve the problem of insufficiency of raw materials for milk processing

of enterprises, allocation of investment subsidies for the creation of more than 200 procuring points for collecting milk in personal subsidiary plots is provided. To achieve these goals, it is planned to allocate about 563 million tenge until 2020. To provide meat processing enterprises with raw materials, it is planned to subsidize the costs of purchasing animal carriers and refrigerators. For these purposes, it is planned to allocate about 398 million tenge until 2020. To solve the problem of high cost of raw materials, a new mechanism for subsidizing the costs of processing enterprises is envisaged: until 2020, subsidies of 42 billion tenge are provided for the purchase of raw materials for the production of butter and cheese; for the production of sugar (from sugar beet) - about 10 billion tenge [ref. 3].

It should be noted that earlier implementation of this measure was constrained by the lack of a legislative framework. Currently, relevant changes to the legislation have been made. In addition, in all priority areas, it is planned to subsidize the interest rate on loans taken to replenish working capital, including purchase of raw materials. It is planned to solve the problem of physical and moral deterioration of production equipment of processing enterprises by allocating investment subsidies and subsidizing the interest rate on loans.

Until 2020, the state provides subsidies for the construction of five meat processing plants, the modernization and reconstruction of 135 milk processing enterprises, 56 meat-processing plants, 5 fruit and vegetable processing enterprises, 7 sugar plants, 7 fat and 7 companies for the production of macaroni and 35 enterprises for the production of cereals.

All measures taken by the state will allow, first, to reduce the cost of production, secondly, to improve the quality and competitiveness of agricultural products, and third, to ensure food security for certain types of food.

The macroeconomic and social effects of the implementation of the «Agribusiness- 2020» program are projected in the following indicators:

- ▶ increase in physical volumes of agricultural production by 1.5 times;
- ▶ ensuring food independence for basic foods at 80% of the domestic market;
- ▶ increase of labor productivity per employed in agriculture by 3 times;
- ▶ increase in export earnings from the sale of agro-industrial products by 20%;
- ▶ attracting more than 10 trillion. tenge of private cash in the industry.

In 2016-2017 years The Ministry of Agriculture of the Republic of Kazakhstan implemented a number of key initiatives, one of which is to change the approach to assessing the state of food security on the basis of the FAO methodology, which affects various socio-economic aspects of the life of the population and



encompasses physical accessibility (not production), economic accessibility and food safety (quality).

According to the definition of the international organization of the Food and Agriculture Organization of the United Nations (hereinafter referred to as FAO), food security exists when all people at every moment have physical, economic access to sufficient, safe and nutritious food that meets their needs and preferences in order to maintain an active and a healthy lifestyle.

The FAO food security assessment system uses 31 indicators that characterize:

- availability (physical availability of food) - consists of sufficient, diverse, high-quality and affordable food on the country's market;
- access (economic accessibility of food) - measures the physical availability and availability of infrastructure, and measures the ability of consumers to purchase food;
- stability and use - evaluates food safety measures.

According to the Ministry of Agriculture of Kazakhstan, in Kazakhstan the volume of domestic production for basic types of food is more than 80% of domestic consumption. Currently, the Ministry is working on the development of the project «Concept of ensuring food security of the country until 2020».

Having reached a high level of food security in its country, Kazakhstan increases the level of food security throughout the world. So, for example, in 2011 our country initiated the establishment of the Islamic Organization for Food Security within the framework of the Organization of Islamic Cooperation. The Charter of this organization has been ratified, and projects on the development of food security of the OIC member countries are also being developed.

The analysis of the experience of many countries shows that the work to ensure food security is carried out in a comprehensive manner and precisely in these areas. In addition, many organizations and government bodies participate in this work. However, to date, in Kazakhstan there is an opinion that food security is food independence, that is, it is characterized by how much domestic production provides the country's food needs. At the same time, comprehensive consideration of the issue of ensuring food security remains without due attention.

This circumstance does not provide an opportunity to identify real problems, fully assess the situation and take appropriate measures to ensure food security.

In this connection, in order to bring food security in line with international approaches, according to the Minister of Agriculture Myrzakhmetov A.I., it is necessary to adjust the national legislation of the country, in particular the Law of the Republic of Kazakhstan «On State

Regulation of the Development of the Agro-Industrial Complex and rural territories».

When assessing the state of food security, it is advisable to use the norms that regulate two normative levels of nutrition for the population: *sufficient*, used for socioeconomic calculations under normal conditions, and *the minimum necessary* to ensure guaranteed provision of the population in emergency food situations. In case of exceeding the threshold values of the above criteria, sufficient food provision will be achieved for the country's population.

The food component of the "consumer basket", that is, a set of 43 basic food products, determined on the basis of the annual consumption norms necessary for a person of working age, and differentiated by sex and age, corresponds to the *minimum necessary level of food security* for the population.

Thus, food security is characterized by physical availability of food, economic access to food and quality of food. The assessment of the level of physical accessibility of food is carried out by comparing the actual consumption of foodstuffs by the population of the country with their consumption standards, which are the minimum standards of food consumption developed by the Kazakh Academy of Nutrition, based on the recommended level of consumption of the average resident of the country.

Economic accessibility of food is defined as the possibility of purchasing food products by the population at the current level of prices and incomes in the amounts set in the minimum consumer basket. Food independence of the Republic of Kazakhstan by types of food products is considered unsecured if their annual production in the republic is less than eighty percent of the annual demand of the population in accordance with physiological norms of consumption [ref. 3].

The Law of the Republic of Kazakhstan «On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Food Security» of December 11, 2009, № 229-IV, noted the following principles for ensuring food security:

- ensuring the physical and economic accessibility of high-quality food products for the population in accordance with physiological norms of consumption, regardless of age, property and social status, location and place of residence;
- conformity of quality of food products produced, imported and sold in the Republic of Kazakhstan to the requirements established by the legislation of the Republic of Kazakhstan on food safety;
- the formation, updating and replenishment of public resources of food products, regardless of the impact of internal and external adverse factors;

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- creation of an equal competitive environment for access to the agro-food market;
- interaction and cooperation of the state and subjects of private entrepreneurship;
- promoting the role of public associations, business associations (unions) in matters of ensuring food security;
- availability and openness of information on the state of the agro-food market.

It is not allowed to take decisions and actions (inaction) by state bodies, individuals and legal entities:

- worsening the state of food security;
- provoking an unjustified increase in the prices of food products, a reduction in domestic food resources;
- contributing to the illegal export of food products outside the Republic of Kazakhstan;
- contributing to the importation on the domestic market of low-quality and dangerous food for the population.

In accordance with the data reflected in the report of the Minister of Agriculture Myrzakhmetov A.I. to the population about the results of 2016, the main results of the development of the agro-industrial complex for 2016 look as follows. *Macroeconomic indicators:* in 2016 gross output of agricultural products increased by 5.5% and amounted to 3.6 trillion. KZT is the second indicator of sectoral growth in the country (construction - 107.9%). The largest share in the republican output is in the Almaty region - 16%, South Kazakhstan - 12%, North Kazakhstan and East Kazakhstan regions - more than 11%. The production of food products grew by almost 4% to 1.3 trillion. tenge (inferior to non-ferrous metallurgy - 8.5% and wood processing - 5.3%). Investments in fixed capital of agriculture increased by 1.5 times from 164 billion tenge to 253 billion tenge. The increase in investments in food production amounted to 11% (KZT 63 billion versus KZT 54 billion in 2015). Exports of agricultural products reached \$ 2.1 billion, an increase of 5% (\$ 2.0 billion) compared to 2015. The export of grain grew by 29%, amounting to 5.3 million tons, flour - by 33% (2.4 million tons), vegetable oil - by 20% (50.6 thousand tons), eggs by 47,6% (136 million pieces). Began export of small cattle to the Arab countries (UAE and Oman - 14.5 thousand heads of sheep and goats).

In the Address from the Head of State N.A. Nazarbayev to the people of Kazakhstan «The Third Modernization of Kazakhstan: Global Competitiveness» of January 31, 2017, the Government and Heads of the regions were instructed to. Within 5 years to create all the conditions for the unification of more than 500,000 households and small farmers in cooperatives. The report of the Minister of Agriculture noted that at present there are more 675 thousand people are engaged in personal

subsidiary farming, which is a huge potential of human and other resources for involving them in the commodity production of agricultural products. At the same time, 70-80% of milk and meat are produced by personal subsidiary plots. However, this volume of production does not fall for processing because of the unresolved issues of their procurement and marketing. At the same time, processing enterprises are loaded on average to 60% (milk processing from 7% to 60%, meat processing from 10% to 60%) [ref. 2].

The key point of the proposed state measures is the combination of personal subsidiary plots in agricultural cooperatives for the purpose of centralized organization of activities in the production and marketing of agricultural products through:

- creating a network of points for milk reception;
- creating family feedlot sites.

In the opinion of the Minister of Agriculture Myrzakhmetov A.I., the agricultural cooperatives that are being created can additionally deal with the procurement of wool and hides, harvesting of fruits, beekeeping, family poultry farming, commodity fish farming, etc.

On February 14, 2017, pursuant to the order of the Head of State, the New State Program for the Development of the Agro-Industrial Complex of the Republic of Kazakhstan for 2017-2021 was approved by the Decree of the President of the Republic of Kazakhstan № 420 of February 14, 2017. The state program is developed taking into account the instruction of the President of the Republic of Kazakhstan given at the expanded meeting of the Government of the Republic of Kazakhstan on September 9, 2016 and is aimed at solving the following problematic issues:

- a huge resource of personal subsidiary plots and small peasant (farm) farms is not used because of the unresolved issues of procurement and marketing of products (they produce 70-90% of milk, meat, potatoes, fruits and vegetables);
- low share of processing products (less than 30% of meat, milk, fruits and vegetables are processed, while all processing plants (403 units) are loaded by 20%-60%);
- the annual rolling residue of wheat is 2-3 million tons, while a quarter of all state support for crop production is spent for its support, a lack of production of mixed fodders (1.3 million tons), barley, maize, fodder and oilseeds (2.7 million tons), which hinders the development of livestock production;
- the low level of exports of meat, livestock, legumes, production volumes exceed domestic needs and a high share of imports (from 40% to 90%) of products that can be produced in the country: sugar, canned vegetables, meat and dairy products, vegetable oil, poultry meat;
- low availability of state support (on average 50% of KazAgro direct lending falls on 1% of



borrowers, subsidies receive only 30% of agricultural producers). There is a negative balance of trade in the amount of minus 1.3 billion US dollars, where the volume of agricultural exports amounted to 2.1 billion US dollars, and the volume of imports - 3.4 billion US dollars [ref. 3].

The main goal of the State Program for the Development of the Agro-Industrial Complex of the Republic of Kazakhstan for 2017-2021 was to ensure the production of competitive agricultural products in demand on the markets. Achieving this goal is planned through the implementation of the following eight tasks:

- involvement of small and medium-sized farms in agricultural cooperation;
- saturation of the domestic market and development of the export potential of domestic products;
- effective use of financial measures of state support;
- efficient use of water resources;
- Creation of conditions for efficient use of land resources;
- increase of provision of agricultural producers with machinery and chemicals;
- development of trade and logistics infrastructure;
- scientific and technological, personnel and information-marketing support of the agro-industrial complex.

An important component of sustainable development of the agricultural sector is the formation and implementation of cluster initiatives in the most competitive sectors of the agro-industrial complex, which entails an increase in the level of agricultural technologies and the quality of the output of the food industry, an increase in the added value and incomes of the agro-industrial complex.

The main goal of creating and developing clusters in the agro-industrial complex of Kazakhstan is to create conditions for expanding domestic production and increasing the competitiveness of products of these industries based on the formation of integration links and improving state regulation. At present, the development of clusters in the sectors of production and processing of such products as: *grain* (in Akmola, Kostanay and North-Kazakhstan regions) is promising; *milk* (in Akmola, Almaty, East Kazakhstan, Kostanay and North Kazakhstan regions); *fruits and vegetables* (in Almaty, Zhambyl and South-Kazakhstan regions); *meat* (in Kostanay, Pavlodar and North-Kazakhstan regions); *rice* (in Kyzylorda region); *fish* (in Atyrau, East Kazakhstan and Karaganda regions); *cotton* (in the South-Kazakhstan region); *leather raw materials* (in Aktobe, Karaganda and North-Kazakhstan regions); *wool* (in Aktobe, East Kazakhstan and Zhambyl regions) [4].

Analysis of materials and publications on food security in Kazakhstan made by the authors

made it possible to identify the main measures that contribute to the elimination of internal and external threats to food security, such as:

- improvement of the system of economic relations in the sphere of production, purchase, primary and deep processing, storage, transportation and sale of agricultural products;
- the optimal combination of state and market regulation of prices for agricultural products in order to revive the effective demand of the population and increase the competitiveness of domestic food in the domestic and foreign markets;
- intensification of work on the creation of food belts, mainly due to products of domestic production;
- improvement of the infrastructure of the agro-industrial complex, including the creation of municipal wholesale food markets in large and medium-sized cities;
- development and promotion of a system of contracts between agricultural producers and processing enterprises;
- stabilization of the food market through the organization of procurement and commodity interventions;
- modernization and technical re-equipment of processing industry enterprises, introduction of advanced technologies and quality management systems (ISO 9000, ISO 14000);
- constant monitoring of the food market and food security of Kazakhstan;
- consistent implementation of the policy of import substitution, saturation of the domestic market with a wide range of high-quality and competitive domestic products, a reduction in imports of food products that can be produced in Kazakhstan;
- effective use of the potential of different soil-climatic and economic territories of the country, taking into account the deepening of their specialization and the creation on this basis of specialized food zones;
- improvement of the system of personnel, scientific, legal and information support for the country's agro-industrial complex [ref. 4].

An important factor in the successful economic development of Kazakhstan is an increase in the overall level of competitiveness of the economy of the republic, including the agrarian sector. However, it must be emphasized that, despite the positive trend in the development of agriculture in the country, the agrarian sector provides 5% of the country's GDP.

The main constraining factors for the development of the processing sector in Kazakhstan, which plays a huge role in ensuring food security in general (due to the production of domestic competitive food products) are:

- poor quality and shortage of raw materials, as well as underdevelopment of logistics for the procurement, transportation and storage of raw



materials, which leads to incomplete utilization of processing facilities;

- underdeveloped trade and logistics infrastructure, which contributes to the functioning of the food market of many small players and unreasonable rise in price of products;

- low competitiveness of domestic agricultural products and products of its processing in the domestic and foreign markets;

- difficulties with the sale of domestic food products in the domestic market due to the presence of a significant volume of imports [5].

At present, it is especially necessary to attract foreign and domestic investments in the agricultural sector. In addition, it is important to strengthen the investment focus in the banking system by introducing into the national legislation the category of investment loans with a special reservation regime. The creation of these conditions will contribute to the formation of a favorable investment climate. In the field of tax policy, it is advisable to develop a taxation system that stimulates the activities of enterprises and the introduction of advanced technologies. It is necessary to establish seasonal discounts for the transportation of agricultural products in the sphere of tariff policy,

In the solution of the problem of ensuring food security, the creation and development of interstate clusters is of urgent importance, which implies the active participation of the state in the chain of production by improving the tax, customs and tariff policies. The implementation of the cluster mechanism of economic development of the country will become an important factor in increasing the competitiveness of agricultural enterprises and their products, will promote active attraction of investments and introduction of advanced technologies in the agricultural sector of the economy and creation of jobs. According to the implementation of the «Agribusiness-2020» program, in order to increase the domestic and expand the foreign market of domestic food and processing industry products in cooperation with interested authorized bodies, it is necessary to adopt state measures of the following nature:

- to protect the domestic market from the latent dumping of imports;

- to strengthen control over compliance with legislation in the field of technical regulation;

- to ensure compliance with the requirements of legislation in the priority procurement of domestic food products;

- to improve the mechanism for access of domestic products to the shelves of retail chains;

- development of trade and logistics infrastructure;

- to promote domestic products to foreign markets;

- development of related industries;

- for conducting information and explanatory work [6].

It should be noted that effective agricultural producers have certain opportunities to upgrade the technology park, but this situation is not typical for most farms. Kazakhstan's accession to the WTO will largely affect the development of agriculture, as competition in the domestic market will intensify. It is obvious that at present domestic agricultural machinery enterprises cannot fully solve the problems of technical re-equipment of the agrarian sector and increase its competitiveness when joining the WTO. The development of the agricultural sector is given priority in the state development programs, significant investments have been made that allow raising the volumes and technological level of agricultural production. There are tendencies of integration of production and technological chains with a number of agro-industrial enterprises of the CIS countries, primarily Russia and Belarus, which is very important with the beginning of the work of the Customs Union, as well as with the functioning of the Eurasian Economic Union on January 1, 2015. The Eurasian Economic Union of Kazakhstan, Russia, Belarus, Kyrgyzstan and Armenia will dramatically improve the situation in trade and economic cooperation, including in the field of agriculture.

In our opinion, it is especially important to create conditions for stimulating the production of organic products through the introduction of an international certification system, as well as implementing measures to further saturate the market with locally produced food products by developing logistics, storing and delivering products to consumers, creating points for harvesting, processing and storage by cooperating with the agricultural producers, as well as the direction of the measures and efforts of the state to maintain the commodity production of products AIC for agribusiness entities with high labor productivity, which will intensify and increase the volume of domestic food production.

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