

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Economics



Bachelor Thesis

**Economic analysis of agriculture
Sector in Kazakhstan**

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BACHELOR THESIS ASSIGNMENT

Anuar Altymbayev

Economics and Management

Thesis title

Economic analysis of agricultural sector in Kazakhstan

Objectives of thesis

The aim of this bachelor thesis is analysis of agriculture in Kazakhstan and identify its strengths and weaknesses. Compare different ways of development and solving problems. Show how various aspects influences to all agricultural sector.

Methodology

Theoretical section consist of synthesis, induction, deduction, abstraction and extraction. Practical part will be done through statistical and financial analysis of whole sector.

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Yastrebova DC Introduction to agribusiness. – M.: MSU, 2014. – 112 p. 2. D. Epstein State regulation of agricultural production in the transition to the market conditions (theory and methods). – St.-Petersburg 2012. 3. Agrarian reform in Kazakhstan (documents and materials). – A.: The Republic of 2012. 4. State program of agrarian reform in Kazakhstan. – Almaty, 2014 5. Guidelines for calculating the subsistence minimum in Kazakhstan regions. – Almaty, 1992. 6. The economic problems of agro-industrial complex. – M.: VNIESKH, 2014. – 232 p. 7. Agriculture of Kazakhstan. – Almaty, 2016. – 40 p. 8. Economic and social changes: the public opinion monitoring // Inform. Byull.- 2013.- № 5. 9. Shutkov A. Problems of improving the control systems in the agricultural sector // International Agricultural zhurnal.- 2015.- №3.- p.3-5. 10. Shirokalova GS Agrarian Reform in Russia. – Nizhny Novgorod: Nizhny Novgorod Institute of Agriculture, 2015. – 262 p. 11. Shafranskii VV Application of priority rules to optimize the use of scarce resources // Technical kibernetika.- 2014.- №5. 12. Shamkhalov FI American management. Theory and practice. – M.: Nauka, 2013. – 176 p.

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Declaration

I declare that I have worked on my bachelor thesis titled “Economic analysis of agriculture sector in Kazakhstan” by myself and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that the thesis does not break copyrights of any third person.

In Prague on 14th March, 2018_____Anuar Altymbayev

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Economic analysis of agriculture sector in Kazakhstan

Summary:

Relevance of this thesis is a general explanation of Kazakhstan's agriculture system. The agricultural sector because of its uniqueness and specificity occupies a special position in the economy, but because of the disparity in prices does not participate on equal terms in the inter-industry competition. Low profitability of agriculture, dependent on natural factors and has a pronounced seasonal cyclical in nature, needs to develop a state program of development. It is slower than other sectors of the real economy, adapting to the rapidly changing economic and technological conditions.

On the practical part of the thesis is explanation of the methods of analysis of agriculture sector and general characteristics of the agro-industrial complex of the Republic of Kazakhstan. Aim of practical part to find, how to develop a methodology for determining the priorities of agricultural policy as a key problem, the solution of which depends on the long-term development of the sectors of Agriculture of Kazakhstan.

In conclusion I have summarized all aspects of agriculture sector and wrote some recommendations which I made, during the work of this thesis.

Key words: Kazakhstan, agriculture, market value, production, final goods.

Ekonomická analýza zemědělství v Kazachstánu

Souhrn:

Důležitost této práce je obecným vysvětlením zemědělského systému Kazachstánu. Zemědělské odvětví vzhledem ke své jedinečnosti a specifčnosti zaujímá v ekonomice zvláštní postavení, ale kvůli rozdílům v cenách se v konkurenci mezi průmysly nezúčastňuje za stejných podmínek. Nízká ziskovost zemědělství, závislá na přírodních činitelích a má výrazný cyklický sezónní charakter, potřebuje rozvíjet státní program rozvoje. Je pomalejší než ostatní odvětví reálné ekonomiky, přizpůsobuje se rychle se měnícím ekonomickým a technologickým podmínkám.

V praktické části práce je vysvětlení metod analýzy zemědělského sektoru a obecných charakteristik agroindustriálního komplexu Republiky Kazachstán. Cílem praktické části je najít způsob, jak vypracovat metodiku pro určení priorit zemědělské politiky jako klíčového problému, jehož řešení závisí na dlouhodobém rozvoji odvětví zemědělství v Kazachstánu.

Závěrem jsem shrnul všechny aspekty zemědělského sektoru a napsal několik doporučení, která jsem učinil během této práce.

Klíčová slova: Kazachstán, zemědělství, tržní hodnota, výrobní kapacita, zboží.

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1. INTRODUCTION

Agriculture Kazakhstan is characterized conservatism and rigidities, inadequate response to market requirements. In this regard, efficient agricultural production is possible only with the active participation of the state the support it at national and regional levels, the development and implementation of priority national development projects.

This is a problem because the current budget allocation mechanism is mainly aimed at supporting economically successful farms, does not create conditions for farmers' access to budget resources, is not conducive to the effective use of the budget allocated to support agriculture.

The need to ensure food security, search the effective functioning of the mechanism of agriculture requires the development of an effective mechanism of its functioning, evidence-based methodologies and best practices, identifying priority areas for development and budget allocations between agricultural producers.

An important role in solving these problems is given regional governments, as at this level, there is a system, the complex regulation of the agricultural sector in order to create financial and social conditions for the population food and agricultural producers.

Generalization of theoretical research shows that in economically developed countries set up state-regulated economic system, which reflects the objectives of economic policy. In fact, organizational and economic relations of the agricultural sector there have been fundamental changes, while maintaining critical market mechanisms. Limited natural resources, the impact of climatic factors and the low price of the final product put agriculture in a number of less profitable sectors of the economy. This was the reason for the intervention of the state as a supporting force in agriculture regulation first in the US (30 years of the twentieth century), then in Western Europe (60 years).

However, international experience requires adaptation to domestic economic opportunities and the needs of national and historical peculiarities.

In the context of price disparities, widespread shortage of resources starting point in the decision-making mechanism of the agrarian policy is to define the priority areas of state influence on the production and consumption of agricultural products.

In different periods of development of Republic of Kazakhstan, many solutions were taken on the development of agriculture, its associated industries and consumers.

However, this was not always provided practical implementation. The choice of priorities was carried out without proper analysis, enabling them to compare and evaluate the effectiveness of a position.

However, the methodological approaches to the development of agriculture in market conditions, causing a lot of debate and discussion, still remain insufficiently studied. Require further study methodological and practical issues of state support for the agricultural sector, as well as prospects for its further development. The lack of theoretical, methodological and practical research in the field of formation of agricultural producers of the programs determined the choice of research topics, led to its relevance, purpose and objectives of the study.

The aim of the study is to examine the theoretical features of the development of agricultural policy in Kazakhstan.

This goal has identified the following objectives:

- explore the theoretical basis for the formation of agricultural policy;
- analyze the current state of the agro-industrial complex of Kazakhstan, to identify the major deficiencies and to identify ways to address them;
- describe features of the development of the target method of management in a market economy on the example of the developed countries and to justify the possibility of using elements of the program-oriented management in the agricultural sector;
- review the directions of the state policy on the development of the agricultural sector of the economy of the Republic of Kazakhstan.

2. OBJECTIVES AND METHODOLOGY

Thesis will consist of two parts: theoretical and practical. The aims of this bachelor thesis are analysis of agriculture in Kazakhstan and identify its strengths and weaknesses. Compare different ways of development and solving problems. Show how various aspects influences to all agricultural sector.

Theoretical section consists of synthesis, induction, deduction, abstraction and extraction from professional textbooks and internet sources in order to create strong theoretical background for practical part. Practical part will be done through statistical and financial analysis of whole agrarian sector.

3. THEORETICAL PART

3.1 Scientific bases and the need for agricultural policy priorities

Need to develop a methodology for determining the priorities of agricultural policy as a key problem, the solution of which depends on the long-term development of the sectors of Agriculture of Kazakhstan, revealed in the course of numerous discussions of the causes of failure radical transformations 90s.

Since the analysis of the impact is not possible without the purpose of analysis, we consider in this way some of the results of the agrarian reform.

Since 2002, the agricultural sector of Kazakhstan carried out a phased liberalization of prices and reform of agrarian relations, the role of the State was reduced and by 2006 had been reduced to a minimum. Destroyed the centralized distribution system and supply, the choice of specialization and business partners become dependent on an economic entity. In the first half of 2002 was still in force administrative price controls on some socially important food products, but they were canceled as ineffective.

In 2003-2005, measures were taken indirect price regulation. For example, price subsidies and compensation in 2002 was 26.9% of the total value of agricultural production in 2004 did not exceed 17%, and their actual payments in 2006 are estimated at 8.3% .However, even including subsidies of agricultural production remained low profitability. Subsidies only contributed to some easing of the crisis in the countryside.

It should be noted that independently applied and still apply various administrative control measures food market, not provided for at the national level (the introduction of quotas on the export of agricultural products of local production outside the region, fixing the level of purchase or retail prices) on the level of the subjects of the republic.

Such control measures inherent in the state agrarian policy applying at the regional level, disrupt the unity of the market space in Kazakhstan and must be unconditionally canceled.

From an institutional point of view, as all the preconditions have been created for the formation of a new economic situation. Accelerated by was carried out re-registration of the collective and state farms, which in most cases has been reduced to a formal change of the name and status of the company; redistributed land to the farmers and the public for private farming, gardening the process of associating and co-producing.

The predominant form of farming in rural areas became legally and in fact independent enterprises, including 280 thousand farms.

From a formal point of view of agriculture of Kazakhstan, seemingly created the institutional and economic conditions for the development of production in the conditions of market self-regulation mechanisms. But positive changes are not happening due to the extremely negative macroeconomic background, on the one hand, and the reduction of budgetary financing of agriculture sectors, on the other.

The position of the rural economy is getting worse, falling its profitability and production volumes, dramatically worsened disparities inter- and intra-exchange, there is an acute shortage of financial resources, including working capital, in the absence of adequate credit policy. The degradation and specialization of production, is the destruction of the reproductive potential. There was a very poor investment climate.

In reforming agriculture was chosen priority of institutional and organizational changes at the expense of creating the preconditions for fundamental economic change. In this regard, unfounded accusations that someone is deliberately holding back reform. A major obstacle is the strategy for their implementation. For institutional and organizational changes needed to ensure that economic conditions - to create a system of state regulation, the expediency of which is in the countries with developed market economies, there is no doubt.

The reasons which led to the crisis in the village are quite diverse. However, they are all to some extent were consequence of uncritical Kazakhstan government's attitude towards the recommendations of the International Monetary Fund, World Bank, Organization for Economic Cooperation and Development, the European Bank for Reconstruction and Development. In its recommendations, the organization pointed out that the agricultural reform should, first of all, to do the pressing, land reform issues of price liberalization and enterprise reform. It was necessary to postpone, according to Western experts, a major new investment in agriculture before while in these areas is not significant progress will be made. Priority areas of investment have been identified in small manufacturing enterprises, technology, construction of access roads to farms, food processing facilities. Total transformation strategy, in their opinion, was to include the abolition of public contracts, the gradual reduction of the role of the State in the direct provision of agricultural resources and rural construction materials; privatization of processing, wholesale and retail trade in food and truck transport. Land reform and the reform of the enterprises involved, on a plan, the dissolution of the state and collective farms and the establishment on the basis of local choice of individual or cooperative farms with full private ownership of land. In addition, the urgent need was recognized by the reform of the credit system in agriculture and the emergence of new criteria for investment in the agricultural sector. An important role should be played joint venture food processing,

The main elements of the strategy recommended by Western experts forming the short-

term revenue and expenditure were as follows:

- replacement turnover taxes on fixed taxes, implying mainstreaming in retail prices of any increase in wholesale prices of taxable goods;

- introduction of value added tax;

- reduction of price subsidies by limiting the number of subsidized goods;

- minimizing the existing tax benefits;

- further reduction of secondary costs, including subsidies to loss-making enterprises, defense spending, and spending on personal and administration;

- Adequate funding of the proposed new unemployment benefit system.

A number of these recommendations - the need to build access roads to farms, increasing the power of the food industry and other proposals related to the organizational and technological issues, not objectionable. The more that similar advice was repeatedly put forward and domestic science. However, the fundamental provision of the program does not take into account the specific socio-economic situation in Kazakhstan to the beginning of the agrarian reform.

For example, the introduction of value added tax (VAT) was linked to Europe in the late 60s. not only with providing revenues to the state budget, but with the decision of the production constraints of the problem. In this case, with regard to agriculture the tax rate was quite low - 5.5%. In Kazakhstan, this aspect is not taken into account, and was originally introduced uniform for all industries in the VAT rate of 20%, which was then reduced for food manufacturers to 10%.

At the same time it cannot be held responsible for the failure of agrarian reform on foreign experts, as though they had an impact, but not directly decide on the agrarian policy of Kazakhstan.

Evaluation of any agrarian reform can be considered as degrees achieve their goals. Most of the priorities of agricultural policy is still in modern legislative practice Kazakhstan, as in Soviet times, is formulated vaguely not exactly. Homogeneous priorities are very often described in different "languages", under different terms with different volume factors considered.

In the country, in spite of the destruction of the directive planning, the safeguarding of the basic principle of its operation - the resource and the industry (in 1957-1965 -. Resource and territorial). In other words, government regulation of the Kazakhstan economy is to identify the resource needs of the sectors (currently, mainly the needs of industries in the public financing) and the actual distribution of the available resources. So it was with the payment of subsidies for livestock products, with the introduction of regulated prices for some crop

products, compensation costs for fuel and lubricants, etc.

Each time the Ministry of Agriculture applies to the Government of Kazakhstan with their justification and the request to fund this or that direction. Since the beginning of the agrarian reform only justification needs of the agricultural sector in the budget funding from the Ministry of Agriculture is to slow the rate of decline of production without regard to any long-term priorities, in the absence of a single strategic line.

No new priorities after all annual resources of the country painted and divided, it cannot be, because it is impossible to reconstruct the actual procedure for the use of scarce resources. As a result, since 2002, the entire agricultural policy of Kazakhstan (with the exception of property reform) is reduced to an annual "extortion" of money from the budget and their subsequent distribution without significant analysis of the effectiveness of public spending in the previous year, without predicting future impacts.

Budget received at the state level and the subjects of the republic, is now the main planning document that reflects the direction of government intervention in agriculture. Another a strategic nature are prepared Ministry of Economy and Budgetary Planning of Kazakhstan forecasts of socio-economic development of the country for the next year, which the Government is in the public authorities together with the draft budget. In connection with the development of socio-economic development of the subjects of the republic according to the Ministry of Economy of Kazakhstan projections of agricultural production and food processing, balance calculations resources for crop production and animal husbandry, balances import and export of products outside the region,

The forecast provides a strategy for the medium term (2-3 years), determines the trend of future macroeconomic development as the calculations of experts, the reliability of this figure is forecast on general economic $\pm 60-80\%$, of the gross agricultural output $\pm 25\%$. If the gross output forecast calculations based on the collection of information from the regions, the overall economic growth - is the forecast of the Ministry of economy itself. It is obvious that the present prediction system because of its unreliability cannot be used as a management tool agro industrial complex. Other systematic documents do not preparing the state agrarian policy strategy.

So, the specifics of ongoing agrarian reform consist in the fact that it began spontaneously, without clear goals and means of achieving them. This was basis for further discussion on the choice of priorities already after a series of fundamental reforms.

In 1991 and in the first half of 1992. Agrarian reform was associated with structural changes in rural areas, with the reorganization of collective and state farms. In the second half of 1992 - 1996. Carried out measures to overcome the negative consequences associated with

the destruction of the old economic system, mainly to mitigate the impact of price liberalization and restructuring process. The issue with the modern agrarian reform priorities is not so defined, which led to the need for a special expert consultation in this area even after the reform carried out.

According to the Academy of Public Administration of the President of Kazakhstan in 1994-1995. in the course of interviewing among the 1.1 thousand civil servants apparatus of legislative and executive authorities in 16 regions and government departments, the main priority of the current agrarian policy of the majority of experts was called agro peasant reform. More than two thirds (and in the regions - up to 80-90%) to see a political solution of the peasant question as a priority for ongoing agrarian reform rather than economic in more detail about the beginning of the agrarian reform the 90-ies, the problems associated with an increase or decrease. production of agricultural products.

Fuzziness purposes of agrarian reform determined the emergence of a fundamentally different assessment of its implementation. Thus, some economists combine obvious failures changes with the unpreparedness of the agricultural sector to reform, which had been building up years. Similar binding negative trends of the past with modern unfounded, since the purpose of development of agrarian reform is precisely to overcome the crisis that had accumulated in the past, and the negative effects of accounting for possible in future. In other words, if the agrarian reform cannot yield positive results, there is no need in pursuing it, and links to all sorts of complications, connected with the past, is not a serious argument when assessing its results.

The lack of clear understanding of the purpose of communication, resources and results of predetermined appearance count that tear issues of determining priorities of the state in relation to agribusiness branches and scope of budgetary support. The fact, the share of budgetary allocations on the APC in the costs of the consolidated budget has decreased in 1992-1995. From 27% to 4%), indicates that the agrarian reform was not a priority of the overall economic reform.

Acting AIC (agro-industrial complex) budgetary support mechanism is not a system, does not have a long-term legal framework, it is stimulated. He formed and adjusted taking into account the overall target setting monetarist concept of state regulation of the economy and is a kind of response to emerging issues. The overall size of budget allocations to finance the agricultural sector in the long term is not fixed by law, is determined annually in the development of the draft state budget and the budgets of the subjects of the republic, not a protected item of expenditure.

The distribution of the allocated funds among sectors agro-industrial complex much can

actually serve as an indicator of the selected priorities.

About 50% of budget revenues in the AIC (agro-industrial complex) takes budget support agricultural producers, including subsidies for the current production (subsidies on production and the compensation of production costs, credit support, social donations) and government funding of long-term investment in the industry (business investment, development of industrial structure, the financing of science) .

The main direction of budget support III agro-industrial complex are budgetary loans allocated annually purchasing organizations for procurement of products for state resources. The last three years these loans in the budget of virtually no return and can be considered as a subsidy. The structure of budgetary support III agro-industrial complex and includes small-scale production costs of compensation processing enterprises of certain industries (fisheries, flax plants), as well as funding for certain long-term investments.

A budget support food consumer is carried out on regional level, at the expense of local budgets. This compensation group includes retail food prices, subsidies to enterprises catering (school, student, hospital canteens, etc.), as well as direct food aid to the poor.

The overwhelming part of the funds directed to agriculture and agribusiness III field of the share of food consumers is low. Between Rural economy and III agribusiness budget support funds are distributed approximately equally. As part of the spending on agriculture for more than half falls on production subsidies and compensation, the only exception is 2003, when the center of gravity of budget support in agriculture was focused on credit sphere.

Agro-industrial complex is made between enterprises distributed regardless of the extent to which they carry out restructuring, reduce cost, and increase productivity.

Funding APC from regional and local budgets last depends on profitability and local authorities solutions. Volumes and directions of appropriations strongly differentiated by regions, which prevents the formation of a single market space. In particular, the provision of subsidies for livestock production on regional level led to the emergence of barriers to trade. Regional administrations with developed animal hinder export subsidized from locally sourced produce.

Characterizing the state of crisis of domestic agriculture - decline in gross output in 2006 compared with 2001 by 33% and increase in production costs for the products on which there was the greatest decrease in production - for grain - by 46%, sugar beet - 41 %, meat and meat products - by 40%. The cost price gain of cattle has grown over the years 2001- 2006. 7.7 times, cereals - 10.3, sugar beet - 10.7. In the five years of reform, the cost of production of all kinds of agricultural products in dollar terms increased by 7-16 times.

The overall result of the agrarian reform of 90's is crisis in agriculture, which has no

domestic sources for the recovery of expanded reproduction. The main reason for this is, firstly, to the conduct of the general economic reform - liberalization of prices and the exclusion of agriculture from the number of priority sectors of the economy, which has caused:

- a sharp rise in production costs;
- slower than the increase in production prices growth of agricultural costs associated with restrictions on the part of effective demand, monopoly industries and processing trade, displacing domestic products imported, taxation value added;
- a sharp decline in spending on agriculture in the state budget structure [6].

All three factors have caused the fall of profitability of agricultural production, and as a consequence - the decline in production.

And, secondly, - the latter is connected with carrying out agrarian reforms. Experience countries with developed market economies shows that introduction of new organizational forms has been successful only in a longer time interval - 7-12 years, when formed the social basis of reform and in order to prevent the decline in production, caused by structural changes. In our country, the reform had the support of the rural population. In other words, agricultural conversion performed excluding agricultural interests. For output of domestic agriculture from the crisis need to develop priorities fundamentally new agricultural policy that takes into account the limited financial and material resources and carried out in the interests of the industry and the population of Kazakhstan as a whole.

For output of domestic agriculture from the crisis development priorities fundamentally new agricultural policy that takes into account the limited financial resources of the state budget and implemented in the interests of the industry, the population of Kazakhstan as a whole.

3.2 The structural elements and objects agricultural policy

The theory of decision making targeted sufficiently fully developed foreign and domestic science, but their practical implementation is possible with great difficulty, due to the increased influence of the world economy on the national production.

World consumer demand will continue to determine the success of the world trade in agricultural products and foodstuffs. According to US economists till 2020, world population will reach 7 billion, till 2050- 10 billion people. To ensure that in the next 25 years the world population will need a 3-fold increase in yield, or - crop areas.

At the same time, demand for food is growing mainly due accounts of Asian region,

where the population countries cannot fully pay for imported food. Hence, food trade increase its influence on international politics, forecasting major trends in the global agricultural and food markets acquires strategic importance for our country.

In Kazakhstan, the complexity of the formation of an effective agricultural policy is also connected with the use of inertia of previous approaches to the compilation of industry concepts and programs, when used uncritically developers' deterministic planning techniques to support strategic objectives. The desire to rely on quantitative indicators of 10-20 years into the future to assess the long-term perspective with the many uncertainties created the illusion of lightness anticipation of the future, and the abundance of numbers, formulas and models gave documents pseudoscientific views, although the majority of these digital models constructed by extrapolating from progress and the accuracy levels achieved performance never was compared with the actual results of such planning was extremely low.

It should be noted that the problem of comparing complexity and prospective constructs with the available objective scientific prediction capability has deep roots in our country and is associated with the level of education and professional integrity of those who take up the macroeconomic planning.

In a number of domestic economists defines agrarian policy as an aggregate of economic, social and partly legislative nature, systematic, state on purpose changes of Agriculture and Employment in its population. This definition does not disclose the concept of "agricultural policy", as put forward as its general objective situation change industry and the rural population, while the function state is creating conditions for all food people of the country, not just part of the population. This definition is rather refers to the concept of "agricultural policy".

The scientific center of the theory of agricultural policy is France. There has long held a special training course in agricultural policy for students and trainees from different countries, which is being finalized every year thanks to the active scientific work of specialists of the National Institute for Agricultural Research (INRA). France school considers the term "agricultural policy" in a broad and narrow sense. In a broad sense, agricultural policy consists of three areas:

- policy development of the agricultural sector;
- food policy relating to consumer products- food, social support, etc .;
- Agricultural policies related problems rural economy, including the processing, production of capital goods for agriculture and trade.

The state can support as a priority as agricultural production (lifting, for example, the price level and (or) producers' income) and processing (subsidizing purchase prices) or

consumption (through low consumer prices). Thus, the determination of priorities of agricultural policy in the broad sense, according to French researchers, due to the choice of the agro-industrial complex for state support.

According to the official procedure of the Organization for Economic Cooperation and Development (OECD), agricultural policy is divided into agricultural policy (in favor of manufacturers) and food (in favor of consumers). The introduction of this technique influenced the change of agricultural policy analysis methods. In particular, it examines not the distribution of public expenditure on agriculture and transfer payments in the agricultural sector at the expense of food consumers and taxpayers.

In this regard, the state is seen as a mediator between the taxpayer and consumer products, and agricultural producer.

French researchers offer agrarian policy definition of the concept in the narrow sense, or the policy of the agricultural sector. By opinion one of the founders of the French school of Agrarian politics Pera Coulomb is - institutional compromise, organized around three "agreements":

- "territorial agreement", having the basis of a system of social control by the state, supporting one or another form of organization of agricultural production;

- "budget agreement", defined by a system of income and expenditure on agriculture and "political agreement" as a form of cooperation between the state and professional organizations.

French school gives a correct definition of "agricultural policy", with an emphasis on the political dimension, and opening its basic directions. However, this definition needs further exploring primarily to the objectives positions.

The fact that, in determining agricultural policy usually highlights only one aspect - the economic one. Without consideration of the other components of the general objective - a good environment and a thriving population. In some countries (USA, Germany) triune understanding of the general objective of agricultural policy is recognized in official political circles.

At the same time it does not remove a number of problems. The question arises - environmental protection should be present as a priority in each of the sectorial policies, such as agricultural, extractive industries, construction, where the environmental impact is much, or should develop a unified environmental policy in the US, for example, there has been two trends - along taking into account in each sectorial policy environmental restrictions began to develop intrastate regulation, the impact on objects oriented. In other words, natural objects, whether it's green areas, soil, water, etc., developed maximum allowable pollution rules that

apply to all businesses regardless of industry sector.

Another component of the general objective of agricultural policy concerns development rural areas, including a number of problems, not accounted for in the economic aspect. For example, unemployment in rural areas is not directly related to the production of food, as it involves the use of different approaches to employment through the development of rural industry, services, etc.

Thus, the concept of "agricultural policy" can be defined as the purposeful activity of the state, limited resources, budget and time designed to ensure food security of the country while preserving favorable environmental conditions and the solution of social problems in rural areas.

In contrast to the above treatments are allocated the main features of the agrarian policy of the state as a course of action with regard to agriculture: the presence of the three components of the general objectives, the definition of the need for material and financial resources to achieve it.

It should also distinguish between "the country's agricultural policy" and the concept of "agricultural policy in the region", because they have different objects and subjects of management, therefore, their priorities may not coincide. State's agricultural policy aims to provide the population with food, taking into account the development of regional specialization.

The concept of agricultural policy as a system includes four main elements: agriculture, agribusiness, food and foreign policy, each of which has its own set of objects.

Consequently, the country's agro-industrial complex - it only part facilities management of agricultural policy relating to the development of proposals for agricultural products and the results of its processing. Without the relationship with the formation on the product demand agrarian policy loses all meaning. The systems approach involves the development priorities for each of the areas of agricultural policy and their subsequent consideration in the relationship. Thus, the measures taken with regard to agricultural producers may be supplemented by measures in respect of sale or the public and will not be opposed to each other. But some domestic economists argue that the government in a market economy has two mutually exclusive alternatives-or agricultural policy to support producers, or - the poor. It does not take into account the priorities of different directions of agricultural policy, disparate volumes of necessary financing in connection with the various implications of the relationship and made absolute value without calculation of the corresponding correlation coefficient.

Let us now consider the components of the final object of agricultural policy, which determines the achievement of its general purpose - agricultural market.

Population, the ratio of young and old, men and women, the number of children in the family - it all belongs to the group of demographic factors. It is no accident that the factors mentioned first as it is the country's food needs as a work rational norms of consumption on the size of the population.

The second group of factors influencing demand - monetary income of the consumer. When it comes to individual demand, it is - the individual income. For aggregate demand - is the aggregate or average income. For example, in the US share of average expenditure on food, according to various estimates, it is 10 to 15% of the family budget. In Kazakhstan, the bulk of the population (80%), until recently, spent on food 70% of the family budget.

These figures show the different possibilities of the food market in the US and Kazakhstan. American food market, which for several years characterized by a specified indicator has the potential to only a slight expansion. In Kazakhstan, as a result of price liberalization occurred leaning toward cheap food - bread, milk, eggs. Consequently, the remaining products have more reserves of expansion consumer demand.

The third group of determinants of demand - consumption culture and habits of the population. The parameters defining the tastes and preferences in a saturated market include advertising, prestige product etc. For example, many consider themselves to be fans of beshbarmak etc. in Kazakhstan. France is famous for its daily consumption of several types of cheese and wine. In America, the great popularity among the middle class enjoys Chinese food. In Britain, by contrast, sandwiches are today duty lunch dishes.

Finally, the fourth determinant of demand - the population's health. In the analysis of the effectiveness of agricultural policy, which the evaluation criterion in international practice, are the health indicators, the World Bank experts used the following division all products power:

a) Group containing power elements - supplies the body the energy needed to run, play sports, "simple reproduction of the organism." Bread, sugar and other foods rich in carbohydrates - solve this problem.

b) A group containing structural elements, primarily protein (protein) - the basis for the health of the younger generation and the reproduction of the population.

c) A group comprising elements of protection against a variety of diseases.

This - minerals (iron, calcium, etc.), vitamins-containing products...

As the analysis of the power structure of the population of Kazakhstan, the main part of today powered by the first group of the diet - "simple reproduction". According to statistics of Kazakhstan about 40% of Kazakhstan's population is now experiencing a clear pronounced protein calories and vitamin deficiency. They do not receive energy protein and an average of

from 15 to 20%. Offsetting these shortages, primarily energy, Russians consume in the last 5-6 years products is envisaged that give excessive accumulation of body weight - about 70% of the population has a certain degree of obesity.

Another important question - low vitamin security. Direct determination of vitamins in blood show that 90% of the patients in Kazakhstan ascorbic acid have a concentration below the optimal values. At 10-25% reduced levels of B vitamins and carotene. The majority of the population is significantly lower than normal concentration of calcium. If the adult population it is temporary, then the problem of quality and children's nutrition level is more significant in the state plan - 40-60% of children, depending on the region are such alimentary, dependent diseases as rickets.

Such an understanding of the category of demand for food is different from opinion a number of foreign and domestic economists spreading the classical monetary theory of supply and demand on the functioning of the agricultural market in a broad sense. According to the latter, the demand is considered solely as cash, or purchasing power.

For example, in the textbook Gregory Mankiw, "Macroeconomics" as universal for all product markets approach is based market model bread. The magnitude of the demand for bread depends upon the price of bread and comprehensive income. Number bread proposed bakeries, bread and the price determined by the price of flour used in the production of bread. And finally, the price of bread is changed so as to provide a balance of supply and demand. These three equations constitute a market model of bread. The more the price of bread, the more consumers switch to other foods and the smaller buy bread.

This conclusion is true to the industrial substitute products, basically not suitable for the market of basic food products, the coefficient of elasticity which tends to unity. In other words, the effective demand for food plays a less significant role than other determinants of demand, because regardless of their income people cannot refuse from food consumption, replacing it with other goods and services.

Another circumstance, argues the abandonment of the traditional approach to the demand only as a solvent is in the peculiarities of the functioning of agricultural production, which is not a self-regulating system. Consequently, the approaches used to analyze the market sectors that do not require such an intervention of the state, do not apply to the consideration of agricultural policy.

Now consider the food market on the other hand - on the supply side. Formation of the market of agricultural products offers a wide sense begins with the definition of objective climatic constraints. Land availability, soil type, climate, etc. - all this is the upper limit agricultural production. While in Kazakhstan were calculated to determine the capacity of

domestic agriculture, or, abstracting from the economic situation, the maximum possible volume of production at its optimal placement using the latest technology.

Such work is necessary. As a result, it is possible to build a system of coefficients upper limits of agricultural production in different countries, based on them compare the features of a given territory in the food self-sufficiency.

In addition, the process of forming the supply of agricultural products on the internal market affects external factor - imports of agricultural products and foodstuffs. The trend of the ratio of its own and more competitive imports is that imports of saturating the domestic market, we are thus contributing to the expansion of agricultural production in the importing country and to reduce the volume of domestic agricultural production.

And finally, the third determinant of offers - the relationship between trades, industry and agriculture. Only trade has an exit directly to the consumer and, therefore, occupies a monopoly position, being able to influence the supply of agricultural products. In economically developed countries is one of the main functions of the agro-industrial complex state regulation is precisely to limit the monopoly position of trade and approximation of external conditions of production to the market of free competition.

These are the main determinants of the supply and demand of agricultural products market in the broadest sense, with which you can identify the objective reasons for supporting agriculture was in comparison with other participants in this, namely:

- greater dependence of income (work results) of agricultural producers from changing from year to year climatic conditions;
- a monopoly of trade in the processing chain of producer-consumer, which allows to respond quickly to changes in demand, in terms of food shortages has as a consequence of a rise in prices;
- losses that can be carried by the rural producers import of agricultural products and foodstuffs.

As well as in the theory of agricultural policy, these findings confirmed by practice state support for agribusiness industries in countries with developed market economies - are financial support from the state receives only agriculture.

In fact, there are listed all the possible recipients of the state address financial support. In this case, the state is seen as the main subject of management. Acting on different groups of participants of market relations, thereby affecting the state of the situation on the market.

The systems approach involves the development priorities for each area of agricultural policy and their subsequent consideration in the relationship.

Some domestic economists argue that the government in a market economy has two

mutually exclusive alternatives-or agricultural policy to support producers, or - the poor, without taking into account the priorities of the various areas of agricultural policy, as well as the volume of the necessary funding, be absolute value relationship without calculation of the corresponding coefficient correlation.

The most simple - transfer model of agro-industrial complex is agro-industrial complex as a set of industries serving agriculture (I sphere), the actual agricultural production (II sphere) and the industry to harvest, storage, processing and sale of products from agricultural raw materials (III sphere). Sometimes APC model include the fourth sphere, combining industry production infrastructure - transport, storage and communications.

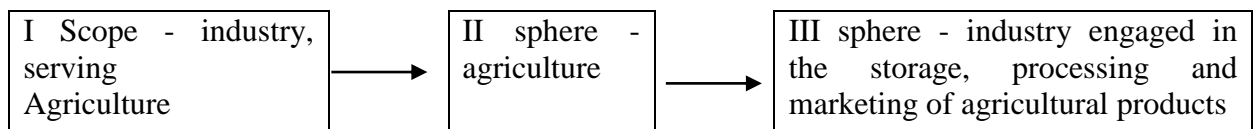


Figure 1 - Three sphere model of agro-industrial complex

Comparison of the final product structure of agro-industrial complex in Kazakhstan and the United States shows that the greatest differences occur in relation fractions II and III sphere, as well as distribution of the final product cost within III-sphere. U.S. relationship between II and III spheres is 1: 3, i.e. 25% of the cost of the final product is formed by APC in agriculture, 75% - industries third sphere. In Kazakhstan, about half the cost of the final product is in agriculture, indicating that the relative lack of development of agrarian and industrial complex of the third sphere in accordance with Figures 1 and 2.

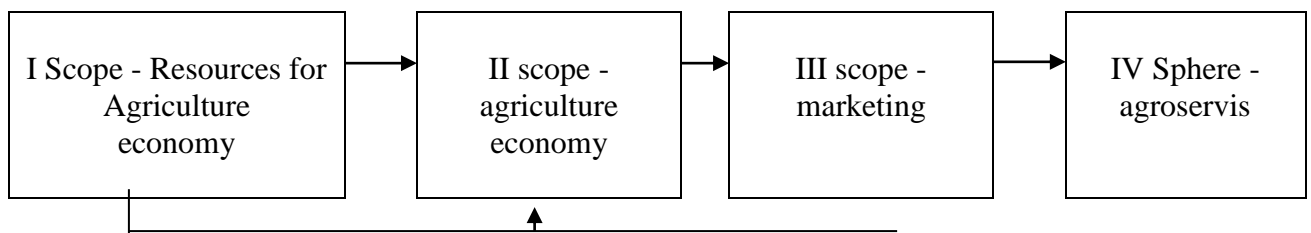


Figure 2 - Four sphere model of agribusiness complex

In the pre-perestroika period, government regulation does not separately identify an independent sphere. In it coexists with a market economy, market mechanisms and uses predominantly indirect leverage on agribusiness.

Therefore government regulation regarded as built in its control mechanism and the coordinating member, a part of the sphere IV - "Agroservis".

In the long term, widespread four sphere model that reflects the relationship of industries related to agriculture, and the state, limiting the types of agro-industrial complex final product only food that is a consequence of the definition of the objectives of agricultural policy.

4. PRACTICAL PART.

4.1 General characteristics of the agro-industrial complex of the Republic of Kazakhstan

Agribusiness is one of the most important sectors of the economy of the Republic of Kazakhstan, which produces food and economic security of the country, as well as labor and the settlement potential of rural areas.

The total area of agricultural land in Kazakhstan is 177.8 million hectares, including pastures - 146.9 million hectares of arable and fallow -26.7 million hectares, hayfields - 4.2 million hectares.

Following the results of the inventory 2012 - 2016 years was found 7.4 million hectares of unused land, including arable lands - 0.9 million hectares, deposits - 1.2 million hectares, hayfields - 0.08 million ha, pastures - 5.2 million ha, perennial plants -0.01 million hectares. Unused 7.4 million hectares of land reclamation started same land users 3.36 million ha terminated leases at 3.0 million hectares of which are involved into agricultural 1.7 million ha [13].

In all regions of the republic has been a steady trend towards deterioration of land quality, reduction of humus, nutrients, species composition of the vegetation and its productivity, which reduces the potential of agricultural production. Not fully carried out to improve the fertility of arable lands and irrigation of pastures. Following the 2017 year soil with low humus content (less than 4%) in the structure of arable land without irrigation were 14.6 million hectares or 72.8% of the surveyed area of arable land, with an average content of humus (4 - 6%) - 5.3 million ha or 25.9% high (over 6%) - 0.3 million ha or 1.3%. In conditions of irrigated agriculture low income are 0.8 million hectares or 98.2% of the surveyed area of arable land, moderately well - 15.05 ha or 1.8%. Soils with low content of hydrolysable nitrogen occupied area 11.

In conditions of irrigated agriculture low income are 0.8 million hectares or 89.5% of the surveyed area of arable land, moderately well - 0.03 million ha or 3.5%, and high net - 0.06 million ha or 7.0%.

On low incomes movable phosphorus soil had 9.3 million hectares or 46.2% in bogara structure to medium well - 7.9 million hectares or 39.5% and Upper class - 2.9 million hectares or 14.3%. Under the conditions of the soil irrigated agriculture with a low content of available phosphorus occupied area of 0.2 million hectares or 26.2%, with an average -. 443.2 Ha or 51.6% and with high - 190.7 ha or 22. 2% of the surveyed area of arable land.

By exchange potassium croplands under rainfed provided as follows: low secured - 1.9 million hectares or 9.4% high secured - 16.4 million hectares or 81.4% of the surveyed cropland. In conditions of irrigated agriculture soil with a low content of potassium movable cover an area of 0.1 million hectares or 13.7%, average - 0.3 million hectares or 33.3% or higher - 0.5 million hectares or 53.0%. In addition, agricultural activity is accompanied by considerable emissions of greenhouse gases to the atmosphere from livestock, primarily methane emissions during the enteric fermentation animals, methane and carbon dioxide during storage and use of manure, the carbon dioxide in the pastures grazed by animal excrement. From crop emissions of carbon dioxide and nitrogenous compounds, associated with the introduction into the soil and mineral organic fertilizer into the soil biological crop residues, the release of nitrogen from organic matter mineralization in soil, methane emissions from rice production. For example, in the fields, remains constant in the rotation, soil carbon stocks in the soil layer of 0-30 cm by 2017 have decreased on average by 17% by 1990, and therefore the increase in the scale of agricultural production without modernization of technology and appropriate management will be accompanied by enhancement streams of carbon dioxide and nitrous oxide from the soil of arable land and pasture.

Benign materials and soil surveys geobotanic reflecting the qualitative state of agricultural land, provided only 27.8 million hectares, which is 14.8% of the total requirement. At the same time, information about the quality condition of agricultural land is the basis for their rational and effective use. Furthermore, the quality of agricultural lands directly influences their inventory (estimated) value, which is determined based on the basic rates for the land using the correction coefficients. Given the lack of good-quality materials of soil and geobotanical surveys factors are applied on materials manufactured before 1990.

The results of the above survey, along with other types of research, land management and cadasters works provide formation data of the State Land Cadaster of the Republic of Kazakhstan.

Maintaining public procurement is carried out non-profit joint-stock company "State Corporation" Government for Citizens "the Ministry of Information and Communications of the Republic of Kazakhstan. Funding and organization of the work carried out by the Land Management Committee.

By the presidential decree of August 18, 2016 № 308 "On Amendments to the Decree of the President on May 6, 2016 № 248" On a moratorium on the application of certain rules of the land legislation "the current moratorium extended until 31 December 2021.

This decision was taken on the proposal of the Commission on Land Reform, established by decree of the Prime Minister, and the necessity to obtain reliable information

about the quantitative and qualitative state of agricultural land. For this purpose, the period of the moratorium is necessary to analyze the republic land fund.

To obtain reliable information about the quality of agricultural land is necessary to conduct large-scale soil and geobotanical surveys and soil evaluation in the area of not less than 66 million hectares.

Soil and geobotanical maps of the results of surveys carried out are stored on paper, which makes it difficult to use them for the provision of services to submit the relevant information to the public and relevant authorities. In this regard, there is a need to translate existing and production of new materials of soil and geobotanical investigations in an electronic format to be able to make changes during the entire period of their operation, analysis, tracking the dynamics of changes in the parameters of soil and vegetation with the formation of the necessary certificates, tables, charts, etc.

However, the annual amount of funding from the state budget to conduct the above measures does not meet the existing need to provide relevant information about the quality condition of agricultural land and requires an increase.

In the sphere of land relations are the following problems:

1. Deterioration of land quality and productivity.
2. Small volume benign materials in the soil and geobotanical survey of agricultural land, soil evaluation.
3. No relevant data for the determination of the cadastral value of land for agricultural purposes.
4. Low level of development of pastures due to their lack of watering.
6. Carbon dioxide emissions from agriculture

In agriculture created about 5% of the gross domestic product (hereinafter - GDP). In 2017, the gross output of agriculture amounted to 3.3 trillion. tenge, which in real terms below the level of 2013 by 4.1%.

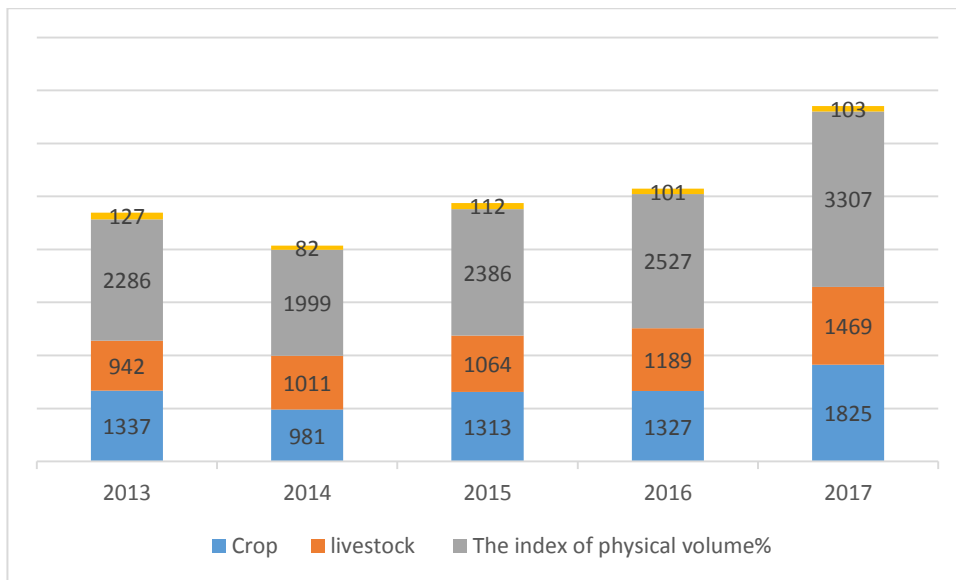


Figure 3 - Dynamics of gross agricultural output, billion tenge

In the structure of the gross output of the industry there is a high share of private farms. About 80% of produced in Kazakhstan agricultural production is sold in the form of raw, unprocessed and finished products has a weak competitive position. Table 1 provides a SWOT-analysis agro-industry

Table 1 - SWOT-analysis of agro-industries

Strengths	Weak sides
of the territory, Kazakhstan is the ninth largest in the world; of arable land per capita Kazakhstan occupies the second place in the world; Kazakhstan is among the largest exporters of grain and flour; the large number of rural population (43% of the total population), the high share of employment (18% of the employed population);	low proportion in GDP (4.8%); lack of development of trade, including export; embeddable low level of research and development activities; insufficient level of veterinary and food safety; high capital intensity; long payback period;
great potential demand for food products sales markets of the CIS countries and Central Asia; permanent increase in the gross product of agriculture; high potential for organic production and exports	dependence on natural and climatic conditions; low productivity; low level of profitability of agricultural commodity producers
Capabilities	Threatening
the possibility of increasing the volumes of all kinds of agricultural products due to the growing number of the population and changes in dietary pattern; formation of an effective state support of agricultural commodity producers and agricultural cooperatives; expansion of the geography of deliveries and exports in promising sectors	adverse effects of natural and climatic conditions, unstable weather conditions; the spread of animal and plant diseases and environmental pollution; increased competition in the international markets for certain types of products in connection with the entry into the WTO; the risk of inefficient state regulation of the industry
Source - compiled by the author based on the source [14]	

Average annual rates of growth in food production in general, does not keep pace with consumption and income growth, resulting in a free market niche is filled by imports, and its share is quite significant in domestic consumption.

Gross output of food production in 2017 amounted to 1.1 trillion. tenge, which is higher than the level of 2013 by 12.5% in real terms. The prevalence of grain processing industry (22.3%), milk (16.7%), bakery (15%), meat processing (13.6%), fat (7.9%) in the food structure, fruits and vegetables (7, 6%) and other sectors (16.9%).

The volume of foreign trade of products of processing of agricultural raw materials and food industry of the country in 2017 amounted to US \$ 3.2 billion., Which is 17.7% less than in 2013 (US \$ 3.8 billion.).

The volume of product export processing of agricultural and food industry raw materials decreased by 6.5% (from 1.0 to \$ 0.9 billion.). The volume of imports in 2017 compared with 2013 year decreased by 21.6% and amounted to \$ 2.3 billion.

The high proportion of imports is maintained on the most high-tech industries.

On average, five years on products processed livestock products account for the largest share of imports in the cheese and cottage cheese (51%), sausages (46%), meat and meat-vegetable canned food (40%) and butter (36.4%). Product processing plant products the greatest share of imports is noted for sugar (42%) and with the importation of raw cane sugar imports is 97%. In this case, the production capacity of sugar factories uploaded to 37.1%.

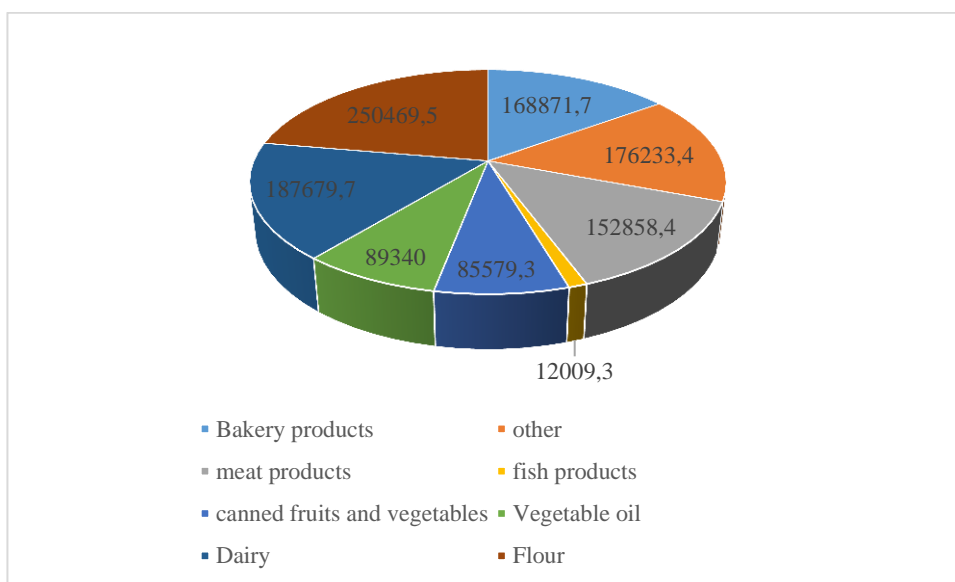


Figure 4 - Production of agricultural processing products in value terms in 2017, million tenge

Imports of canned fruits and vegetables amounted to 98.7 thousand tons or 84% of the domestic consumption, with congestion enterprises for processing of fruits and vegetables at 27% in 2017. The share of imports in domestic consumption of fat and oil products is 30-40%. In this case, the power of fat and oil enterprises is loaded on 45-50%. The shortage of quality raw materials for capacity utilization is acute for the entire processing industry as a whole. Production of cereals and flour provides fully internal consumption.

Potato production volume processed and preserved at 0.4 tons, the proportion of import in domestic consumption -98%. Production capacity of enterprises for processing potatoes is loaded on 23%. The domestic market of fresh, chilled and frozen fish is estimated at 70 thousand tons. The share of imports in domestic consumption is 75%. Power enterprises for processing of fish are 64 thousand tons per year, the workload -43%.

Placing the fish processing capacity is tied to large fishing ponds. The main volume of the issue is necessary to Atyrau and Kyzylorda regions. In 2017, the volume of production of

fresh fish, chilled or frozen 24.7 thousand tons fish cooked or canned 9.4 thousand tones.

Exports amounted to 24.9 thousand tons worth 52.6 million US dollars. Imports of fish and fish products amounted to 52.2 thousand tons worth 61.5 million US dollars.

The analysis shows that in the domestic food market are largely present imports, and both of those types of food products which are traditionally produced in domestic enterprises, - butter and vegetable, cheese and cottage cheese, sausages, sugar, fruits and vegetables and canned meat. In this case, there is a low proportion of the processing of the country's agricultural products and underutilized production capacity of the processing enterprises.

In the sphere of technical regulation of agro-industrial complex made of 12 technical regulations in the framework of the EAEC and the lists of standards to them. It planned to develop another 4 technical regulations EAEC for the main types of agricultural products. These regulations are designed to ensure the safety of agricultural products. However, there is evidence of the implementation of low-quality products.

One of the main reasons for this situation is the lack of development of harvesting systems and the promotion of agricultural products on of agricultural commodity producers to markets, including enterprises for processing agricultural raw materials. Strengthening the role of intermediaries in the realizable net almost completely eliminated the relationship of producers and processors of raw materials. Low purchasing prices for agricultural products do not stimulate an increase in the volume of their production, which ultimately leads to a low share of agricultural raw materials, underutilized capacities of processing enterprises and ultimately to the high share of food imports.

Production of small and medium-sized domestic of agricultural commodity producers is noticeably inferior in quality and packaging and are not able to compete with foreign suppliers. The organization's own meat, milk and other products are not practical for many households due to lack of funds and qualified personnel, the high costs required to fulfill the sanitary requirements, the imperfections of the tax legislation. There is a lack their own distribution network, the creation and the contents of which are not available to every enterprise.

The most effective tool to solve these problems is the cooperation of agricultural commodity producers. Prior to the adoption in October 2015 of the Law of RK "On agricultural cooperatives" operated two models of the mechanism of state support of development of rural cooperation:

- through the Ministry of Agriculture through the JSC "Agrarian Credit Corporation" by providing concessional lending under 5% for 5-7 years on the creation of rural consumer cooperative;

- through regional JSC "NC" Socio-Entrepreneurial Corporation (" South ", " Zhetysu ", " Yertys ", " Tobol ", " Batys ", " Sary-Arka ", " Caspian ") through the creation of service-procuring centers (hereinafter - SPC) to provide services to rural agro-service consumer cooperatives.

However, despite the efforts of the state support measures, rural cooperation is underdeveloped.

The analysis revealed the main problems hampering their development:

- mistrust of agricultural commodity producers and rural population for cooperation due to the lack of work to explain the benefits of co-operation and co-operatives functioning;

- low training of managerial staff and the lack of specialists;

- low stimulate state cooperation processes;

- violation cooperative basic principles (voluntary, democratic, member 1 1 = voice and al.);

- the union of agricultural commodity producers in order to obtain a soft loan, not to provide services to their members;

- the creation of "Izhekooperativov" in the interests of large-scale farming, which is the initiator, the mortgagor, in fact the owner of the cooperative, the manager of all profits from the cooperative activities, as it is farm implements purchase and sale of products;

- Insufficient or illiquid collateral;

- No stimulation associations of agricultural commodity producers in agricultural cooperatives, in particular, lack of net income of the cooperative distribution among its members in connection with the non-profit cooperative status.

4.2 Plant growing

The volume of gross output of crop production in 2017 amounted to 1.8 trillion tenge, which in real terms below the level of 2013 by 10.5%. The share of industry in the structure of total gross output of agricultural products amounted to 55.2%.

The area sown crop over the past 5 years was about 21 million hectares and varied slightly, major changes were observed in its structure. A large proportion of crops was assigned to wheat, but because of crop diversification policy to move away from monoculture and expansion of the area of other crops in 2013 crops of wheat declined from 13.8 million hectares to 11.8 million hectares in 2017 (appendix 1)

During these years increased barley feet of 578.7 ha or 37.6%, oats - 66.3 hectares

(45,2%), corn (maize) - 40.4 hectares (41. , 0%), oil - to 193.6 ha (10.7%), forage -1.0 million hectares (40.8%), melons - 37.8 hectares (19,. 2%) potato - 6.2 hectares (3.4%).



Figure 5 - The dynamics of sown areas for 2013-2017, million hectares

For 2013- 2017 years cereal crop area decreased from 16.2 to 15.0 million hectares. During these 5 years the average annual grain harvest totaled 18.8 million tons, which is 10.1% more than in 2006 - 2010. The average yield of crops was 12.3 q / ha (greater than 10.4%).

Sowing area oilseeds in 2017 year was 2.0 million hectares or 9.6% of the total cultivated area. In comparison with 2013 year sunflower weight relative to the total area of oil decreased by 15.6 percentage points, wherein the proportion of rapeseed increased by 3.6 percentage points, flax - 13.4 percentage points, soy - 1.3 percentage points.

In 2017, the area of forage crops was 3.5 million hectares, which is 40.8% more than in 2013. The share of sown areas of forage crops in the total sown area accounted for 16.6% against 11.8% in 2013.

During this period, perennial grass area increased by 16.1%, annual grasses - 3.3 times. However, the gross harvest of forage crops is not sufficient to ensure that the needs of livestock.

During the period from 2013 to 2017 to increase the acreage of vegetables by 8.4%, while production increased by 23.9%. The share of imports in domestic consumption was 11% in 2017.

The area of greenhouse constructions is 967.8 hectares in 2017, the gross yield of greenhouse vegetables - 147, 7 thousand tons, 120 thousand tons more than in 2013 year public security in greenhouse vegetables in the off-season is 60%.

In 2017, the sown area of potatoes amounted to 190.6 thousand hectares, total gathering - 3 521.1 thousand tons, which is more than in 2013 by 3.4% and 14.5%, respectively. In this case, the potatoes produced by largest of agricultural commodity producers, is entirely at the city markets, seed and export.

In 2017, the area of fruit crops and vineyards amounted to 57.5 thousand hectares, total gathering -280.2 thousand tons, which is more than in 2013 by 5.3% and 19.2%, respectively. Said volume allows for the need of the population of the republic at 54%, the deficit is covered by imported products.

In 2017, the sown area of sugar beet was 9.2 thousand. Ha, this is 49.5% less than in 2013. During the period of 2013-2017 years the average annual production of sugar beet was 122.9 thousand tons, 99.5 thousand tons or 45% less as compared with 2006-2010.

Due to insufficient amounts of the sugar beet production in the republic in average annually imported raw cane sugar of 255 thousand tons.

Production of cotton is concentrated in the South Kazakhstan region. As part of the measures to diversify the period from 2013 to 2017 decline in cotton acreage totaled 61.3 thousand. Ha, or 38.2%, the gross yield of raw cotton decreased by 62.1 thousand tons, or 18.5% at an average annual yield of 25.9 c/ha.

In the structure of production costs of crop production and 70% are costs directly affect the yield (seeds, fuel and lubricants, fertilizers, plant protection products and the depreciation of fixed assets).

In 2016, the production costs of agricultural commodity producers on 1 hectare of sown area of cereals (wheat, barley, oats) average 31657-36834 tenge per hectare of maize for grain - 114488 tenge, oil - from 26487 tenge (rape) to 40159 tenge (sunflower), sugar beet - 215 407 tenge.

The country production and sale of crop seeds is carried certified seed producer 362, with the vast majority (74%) involved the production of cereal seeds, in oilseeds certified 66 subjects forage - 55 Corn - 9, sugar beet - 2 this connection produced in the republic amounts of seeds of these crops do not cover the need for them and there is a significant proportion of imports of seeds.

In connection with the change from the 2017 subsidy mechanism for seed production with the transition to subsidize seeds 1st reproduction of minimum standards the share of crops planted elite seeds. So, in 2013 this figure was 4.4%, in 2016 - 6.3%, in 2017 - 3.4%.

The area of application of organic fertilizers in 2017 amounted to about 69 thousand. Ha, below the level of 2013 by 29.1%. Annual mainly consists of organic fertilizers at arable land 21 - 22 million hectares of the order of 100 - 110 million tons with science-based

application rate of 5 tons/ha.

On average for the years 2013-2017 to contribute annually about 109.1 thousand tons of mineral fertilizers in the current matter. Annual demand of agriculture in mineral fertilizers is 1.0 million tons per active substance or about 2.5 million tons in bulk. The share of the nitrogen fertilizers account for 48% and the proportion of phosphate - 51% and the remaining potash - 1% (see table 2.).

Table 2. Dynamics of fertilizer

Indicators	Years					Annual science-based fertilizers in active substance
	2013	2014	2015	2016	2017	
Made fertilizers, million tons in the current matter	0.09	0.13	0.08	0.12	0.13	1.0
Logged on 1 hectare cultivated area, in kg active substance	4.1	6.0	3.9	5.4	6.0	
The area fertilized with mineral fertilizers, ha	973.3	1461.4	1397.5	1582.1	1459.9	
The share of the area fertilized with mineral fertilizers, from the total sown,%	4.6	6.8	6.5	7.4	6.9	
Made of organic fertilizers, million tonnes	1.1	0.8	0.5	0.5	0.5	100 - 110
Introduced on 1 hectare of sown area, tons	0.05	0.04	0.02	0.02	0.03	
Area, fertilized with organic fertilizers, ha	97.2	122.4	65.7	56.8	68.9	
The share of the area fertilized with organic fertilizers, from the total sown,%	0.5	0.6	0.3	0.3	0.3	
Source - compiled by the author based on the source [13]						

Tools subsidies in crop production per hectare aimed at subsidizing agricultural priority crops and gardens. However, analysis has shown low efficiency of this type of subsidy: firstly, it does not stimulate of agricultural commodity producers to improve the level of agricultural technologies, productivity and product quality; secondly, the decisions are often of hectare subsidies received by members of the interdepartmental commission (hereinafter - IAC) without an actual check of crops; Third, manufacturers inflate the volume of work performed (crop area size).

Furthermore, in crop subsidized cost of fertilizers, herbicides, biological agents and biologics, seed quality for examination costs of raw cotton and cotton, as well as supplying of sugar beet for the production of white sugar (appendix 2).

The republic sanitary security is at a satisfactory level. Developing the use of biological methods of pest control. However, new kinds of quarantine identified objects (fire blight of fruit trees, South American tomato moth), whose foci are locally increased in recent years. The area of distribution of quarantine objects and particularly dangerous harmful organisms as of 2016 was 5 085.4 thousand hectares.

Events for the chemical treatment against quarantine objects and especially harmful organisms, with the exception of quarantine weeds on the land of agricultural commodity producers, financed by the national budget. Measures against harmful organisms are funded by the local budget. Fighting quarantine objects and particularly dangerous pests it is accomplished by the direct involvement of agricultural commodity manufacturers in the process of providing pest being.

On the whole, the industry has the following problems:

1. Insufficient pace of diversification of sown areas of agricultural crops.
2. Inefficient use of agricultural land.
3. Failure to comply with the recommended science-based crop rotations.
4. Insufficient development of seed.
5. Insufficient use of agricultural commodity manufacturers of chemicals (fertilizer, pesticides, etc.).
6. Low level of technical and technological equipment of agricultural commodity producers.
7. Low yields of major crops.
8. Non-compliance with the applicable technologies, standards, certification and quality management.
9. The lack of work on the definition suitable areas with reference to the region.
10. The threat of losing the gene pool of wild apple - the mother of all cultivars because of poor accounting, control and penetration of especially dangerous pests.
11. The absence of mechanisms phytosanitary legislation bans and restrictions, rules for conducting pest risk analysis.
12. The low level of literacy phytosanitary of agricultural commodity producers for the phytosanitary measures for controlling pests, especially harmful organisms and measures for localization and liquidation of quarantine objects.
13. Increased risk of introduction and spread of previously registered in the Republic of

Kazakhstan quarantine objects to the expansion of trading partners and turnover within the membership of the EAEC and the WTO.

14. The low level of availability of subsidies for the majority of agricultural commodity producers.

15. The lack of binding subsidies to the final result, and the specialization of regions.

16. The low efficiency hectare subsidies.

4.3. Stock rising

Animal husbandry in the agro-industrial complex of the country is one of the priority sectors, from which the state and potential of agro-food security depends largely, as well as the level and pace of development of related enterprises of food and light industry.

The volume of gross output of livestock production in 2017 amounted to 1.5 trillion. tenge, which is higher than the level of 2013 by 5.1% in real terms. The share of industry in the structure of the gross output of agricultural products amounted to 44.4%.

As of January 1, 2018 the number of cattle increased by 8.3% compared with 2013 year, horses by 28.7%, of sheep by 1.5%, poultry by 8.3%.

In livestock production for 2017 the share of private farms accounts for 62% of meat, of milk - 80%, for eggs - 26% of total production. As of January 1, 2018 the production of all kinds of meat amounted to 931.0 tons, the figure fell by 0.9% in comparison with 2013 year.

The structure of consumption by the end of 2017 the share of beef imports amounted to - 3.7%, pork - 3.9%, horse meat - 3%, lamb - 0.01%, which indicates a high export potential of these products. Despite the growth of poultry production, import dependence on the degree of the product remains high (54%). Milk production of all types in 2017 amounted to 5182.4 tons. In the structure of milk processed products import share is 10 to 40%.

Domestic production of eggs is almost completely covering the needs of the domestic market. Export of commercial eggs is about 2% of the total production.

In the structure of production costs of livestock products occupy 65-70% of the cost of feed. Cost of production on an industrial basis beef - 870-930 tenge per kg of milk for 70-75 liter- n, poultry per kg - 430-450 n, eggs (per piece) - 15-15,5 n, mutton per kg - 690-720 tenge pork per kg - tenge 610-620, horsemeat per kg - 550 tenge.

Over the past five years, the average productivity of agricultural animals from domestic agricultural commodity producers rose, but remained below the level of developed countries. For example, the average milk yield in the country is 2200 kg per dairy cow, while in Canada it is higher than 4-fold (Table 3).

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Table 3 - The productivity of farm animals.

The average live weight per head of cattle and poultry slaughtered or sold for slaughter, kg	2013				2017			
	All	SHP	K (F), X	LPH	All	SHP	K (F), X	LPH
Cattle	301	344	307	298	326	401	332	319
Source - compiled by the author based on the source [13]								

Currently, one conditional head produced 14 quintals of feed units, which is 2 times lower than the zoo technical standards. Feed production for the year 2017 was 1.2 million tons at an aggregate power companies - 2.5 million tons. The proportion of breeding stock of all kinds of livestock and poultry has increased considerably, and at the end of 2017 was as follows: cattle - 10.6%, sheep - 15.1%, pigs - 19.9%, horses - 7, 9%, camels - 13, 1% and poultry - 17.1%. (Table 4)

Table 4 - The number of livestock farm animals

c / s animals	2015		2016		2017	
	Total stock, thousand units	The share of tribal-foot amount %	Total population, thousand heads	The share of tribal-foot amount%	Total population, thousand heads	The share of tribal-foot amount %
Cattle	5 833.80	8.8	6 028.70	9.7	6 179.80	10.6
Sheeps	15 196.10	14	15 532.40	14.4	15 685.50	15.1
Pigs	921.9	16.3	884.7	20.2	886.6	19.9
Horses	1 784,00	7.1	1 936.70	7.6	2 068.90	7.9
Camels	160.9	12.5	165.9	12.2	169.7	13.1
Bird	34 155.50	8.7	35 000.70	10.1	35 623.40	17.1
Source - compiled by the author based on the source [13]						

Tools subsidies in livestock aimed at cheapening the cost of the purchase of breeding animals, the cost of doing selection and breeding, artificial insemination of farm animals, cheapening the cost of livestock production (Table 5).

Table 5 -Volume subsidies for 2011 - 2015, million tenge.

Branches breeder-tion	2013	2014	2015	2016	2017	% 2017 to 2013
Beef cattle	5584	1 1796.6	13 844.8	2 0812.6	31 781.6	470
Dairy cattle	3 934.4	4 284.2	5 334.5	7 992.9	10609	170
Meat poultry	5 361.9	6 571.2	7601	7 146.9	8 479.1	58
Egg poultry farming	5 394.3	4 896.3	5 901.4	6 785.5	9 771.2	81
Pig-breeding	1 031.3	1 485.4	2 296.7	2 543.8	3 133.9	203
Sheep breeding	1 109.3	1 474.2	2 265.8	2 882.3	3 994.1	260
Horse-breeding	650	846.4	1 042.3	861.7	981	50
Camel breeding	73.7	99.9	152.2	204	238.2	223
Maral breeding				46.6	43.5	
Beekeeping				26	29.3	
TOTAL	23 138.9	31 454.2	38 438.7	49 302.3	69 060.9	298
Source - compiled by the author based on the source [13]						

The volume of state support for livestock in 2017 increased in comparison with 2013 year 3 times. Measures of state support to cover all areas of animal husbandry. Of the total production volume of subsidized milk 4.7% were enrolled. At the same time 80% of the milk production volume falls on the private sector (Table 6).

Table 6 - Production volume of animal products covered by subsidies in 2017

Type of production	The volume of production, thous. Tons / million units *	Subsidied volume of production, thous. tons	% Coverage of subsidy	Volume of production	% Coverage of subsidy
Beef	416.8	24.8	6.0	106.2	23.8
Milk	5 141.6	244.8	4.7	1 040.6	23.5
poultry	146.1	102.0	63.0	139.5	66.0
Edible egg *	4 720.4	2 951.0	62.5	3 497.1	84.4
Pork	95.3	29.1	30.5	38.1	76.4
Mutton	144.1	3.3	2.3	38.4	8.6
horsemeat	101.4	4.2	4.1	27.2	15.5
koumiss	25.9	5.1	19.5	10.4	48.3
shubat	13.3	3.2	24.2	5.1	62.9
Source - compiled by the author based on the source [13]					

In 2017, 248 foci of acute infectious diseases, resulting in the export of animal products was banned for all regions of Kazakhstan have been reported.

On the whole, the industry has the following problems:

1. Low productivity of agricultural animals and poultry.
2. The lack of adequate food supply.
3. The low proportion of breeding stock of animals and birds.
4. Lack of acreage under fodder and forage crops.
5. Irrational use of rangelands.
6. Lack of working capital in feed businesses.
7. Incomplete coverage of farm animal veterinary preventive measures.
8. Inadequate veterinary legislation in terms of harmonization with international standards.
9. Delayed regions providing means (goods) and attribute to identify farm animals.
10. Incomplete coverage of rural settlements high-quality Internet connection.
11. The low level of availability of subsidies for the majority of agricultural commodity producers.
12. No binding subsidies to the final result, and the specialization of regions.
13. The lack of priority products in the livestock industries.

5. DIRECTIONS OF DEVELOPMENT AGRICULTURAL POLICY IN KAZAKHSTAN (DISCUSSION)

5.1 The main directions of improvement of agricultural policy in Kazakhstan.

Analyzing of the agricultural sector at the present stage and the measures to overcome the crisis of the agricultural sector, it may be noted that during the years of reforms, much has been done to overcome the crisis, the transfer of agriculture to a market economy.

Main directions of improvement of agricultural policy in Kazakhstan.

Improvement of land relations.

In order to improve land relations and rational use of agricultural lands, prevent degradation of the following events will be held:

- conducting soil surveys on the area of 33 million hectares of agricultural lands;
- conducting geo-botanical surveys on the area of 33 million hectares of grazing land;
- work on the definition of site quality of soil on agricultural value on an area of 30 million hectares;
- Production of electronic cadaster maps on the 1175 accounts neighborhoods on the lands of cities and rural settlements;
- Production of electronic soil and geobotanical maps on the area of 66 million hectares;
- the transfer of irrigation and drainage system for regular irrigation water from the source of irrigation water distribution to end border of agricultural commodity producers of a single balance-both public and private;
- The transfer of water facilities in the republican property to restore regular irrigation;
- The rehabilitation and reconstruction of water infrastructure and regular estuary irrigation systems to reduce water losses, including through the use of modern technologies.

There will also be audited land, land owners and land users for the purpose of reliable quantitative assessment of the land fund, and will also get up to date information on the quality characteristics of agricultural land for the application of correction factors to the base rates of payment for land in the determination of its cadastral (estimated) value. Also, in order to protect the land from water and wind erosion, microclimate, improve soil fertility and water retention measures to establish trees and bushes planted will be developed.

Improving the system of public services.

The following measures will be taken to improve the efficiency of work in the field of agriculture and simplify the obtaining of public services:

the transfer of public services that are in the register of public services in the field of

agriculture, the NAO "State Corporation" Government for Citizens ";

optimizing the registry of public services in the field of agriculture through the transfer of the services in a competitive environment.

By 2020, the share of public services subject to optimization and automation will be 100%.

Tax policy.

Legislation for the subjects of agriculture there are special tax regimes:

1. For the peasant or farm - a unified land tax (hereinafter - EZN). According to the tax authorities in 2014 the number of payers of subjects EZN totaled 125,400 units engaged in the peasant (farmer) economy (hereinafter - K (F) X.) - 476.2 thousand people, paid to the budget 4.1 billion tenge.

2. For producers of agricultural products, aquaculture products, and agricultural cooperatives. According to the tax authorities in 2014 the number of subjects using this mode was -1900, it employs 117.4 thousand. People paid to the budget of 12.1 billion tenge of taxes and other payments.

The structure occupies the largest share of the value added tax (average for 5 years - 53.5%).

Despite its significant share in the overall revenues from agriculture, in all branches of the economy in general VAT revenue structure is only 1.6% (see. table 7).

Table 7 - Dynamics of revenue for the industry "Agriculture" of taxes and other obligatory payments to the budget and social security contributions

	Name earnings	2013	2014	2015	2016	2017	On average for 2013-2017
1	Taxes in all	23.4	32.2	31.0	29.2	33.6	29.9
2	CIT	2.1	2.6	2.0	2.3	3.6	2.5
3	PPI	3.0	4.1	4.3	4.6	4.4	4.1
4	Social tax	1.7	2.1	2.2	2.2	2.0	2.0
5	Land tax	0.2	0.2	0.2	0.3	0.9	0.4
6	Property tax	0.6	0.7	0.8	0.8	0.8	0.7
7	Vehicle tax	0.1	0.3	0.1	0.2	0.1	0.2
8	VAT	12.5	18.4	17.0	14.6	17.4	16.0
9	Other taxes and fees	3.1	3.9	4.3	4.2	4.4	4.0
10	The share of agriculture in total revenues across all sectors of economy,%	0.4	0.6	0.5	0.5	0.7	0.5

source - compiled by the author based on the source [13]

VAT exemption provided - reducing the amount of VAT calculated at 70%. Total number of subjects enjoying this benefit, -1147, the amount of benefits of 5899 million:

- for organizations engaged in the processing of agricultural raw materials, - 3 117 million tenge;

- by agricultural producers, aquaculture and agricultural cooperatives - 2.782 billion tenge.

The weight of taxes in the amount of cost is 6% in agriculture. During 2015 the profitability of the industry due to the loss ratio was minus 11%.

Trade and logistics infrastructure.

At present, the promotion of food products from producers to consumers is carried out in the spontaneous mode. For example, fruit and vegetables are bought by intermediaries directly from the field's farmers and smallholders. The situation is similar in the meat market, where a lot of small producers on their own, without complying with sanitary requirements carried slaughter and transport meat for wholesale markets.

In addition, intermediaries, as well as being the owners of trucks, selective approach to agricultural producers. Firstly, the main criterion is the amount of product, i.e. if the volume of production is not sufficient to fully load vehicles, the deal is not done. Secondly, the fleet in the transport market is mainly composed of old and obsolete vehicles, significantly degrade the quality of fruits and vegetables during transportation (shrinkage, tapped, damage). Third, the intermediaries, in order to cover all production and unforeseen costs and maximize profits carry two-three times the premium to the cost of production of agricultural commodity producers, which, in turn, leads to an unjustified increase in prices for consumers. Fourth, intermediaries assume risks of losses, as there are no guarantees of the sales of the products they purchase from farmers. For example, there are risks of accidents along the way, the lack of demand or a sharp decline in prices of goods at destination. And, fifthly, the lack of organization of the transport market completely eliminates the possibility for public authorities to regulate trade flows between regions.

To solve these problems in the country is taking measures for the development of transport logistics and warehouse infrastructure. For example, in Kazakhstan it operates 21 logistics center. At the same time, the existing modern infrastructure capacity is insufficient to eliminate the problems.

The weak link in the logistics chain is a trade. Internal and external flows of food products mainly accounted for small businesses - 80% of the market (average - 17%, large - 3%).

Wholesale mainly performed in different places and many retail markets in the early morning function as wholesale markets. At the same time, each Kazakh city has specialized wholesale markets, located in the old grocery stores, where food supplies have inherited the old centralized system.

We are talking about fairly small buildings where you can buy fruits and vegetables as well as meat and other perishable food products, sausages, etc.

In general, all of these wholesale markets managed by private companies, which are either the owners of these buildings and plots of land, or rent them. But most of the wholesale markets provided by the local executive authorities.

These markets are always in different departments, designed in particular for receiving wholesalers, selling products with cars and shopping items (the two categories of market operators are described in the next chapter). Buyers have access to the wholesale markets, which are mixed activity wholesale and retail trade.

It is obvious that the markets are performing their functions on the organization of trade at this level. At the same time, the conditions of sale of products do not meet sanitary requirements, in particular in the implementation of perishable products.

This leads to such consequences as the high prices, price volatility in the offseason, the complexity of the formation of the major parties, the failure to regular supplies of food.

Problems:

1. Lack of development of trade and logistics infrastructure.
2. The presence of uncontrolled amounts of intermediary links.
3. The absence of links between retail outlets and manufacturers.
4. The presence of losses and expenses in the distribution of food products as they move between the regions of the republic.
5. The lack of guaranteed markets for small and medium size of agricultural commodity producers.
6. Lack of organizational, technical and technological possibilities for the formation of large, stable batches for export.

Information and marketing support.

In the agro-industrial complex of Kazakhstan information and marketing support on a grant basis engaged the following specialized organizations: "Kazagromarketing" and centers for the dissemination of knowledge created on the basis of scientific research institutes and experimental-industrial farms. In 2016 this activity was transferred to the National Chamber "Atameken" businessmen of Kazakhstan. All information and marketing collateral year reached more than 60 thousand subjects of agro-industrial complex.

Also JSC "National Agency for Export and Investment «KAZNEX INVEST» annual supports the participation of Kazakhstani producers in exhibitions abroad, establishing contacts, exports by compensating part in the exhibitions and export promotion costs. In addition, information and marketing support in marketing, data collection and dissemination play sectorial business associations.

Problems:

1. Insufficient coverage of subjects of agro-industrial complex of high-quality information and marketing collateral.
2. Poor infrastructure for training systems, consulting and information services in the agricultural sector.

Effective transfer of foreign technologies.

Currently, the effective transfer of foreign technologies is carried out separately, in individual investment projects. Systematic approach to the selection of optimum technological solutions, their validation, adaptation and distribution available.

The main problems in the area of technology transfer are:

1. Absence of a structured, objective information about the most pressing technology challenges, technologies and approaches to address them in the countries - the technological leaders with comparable conditions for agriculture.
2. Do not carry out technological forecasting in the agricultural sector, which would allow focusing resources on prospective problems in advance, in partnership with foreign institutions - bearers of the necessary competences to start solving them.

Scientific and staffing.

The important role played by vocational education in the mass maintenance personnel of agriculture. In Kazakhstan, taking into account the climatic conditions and the current specialization of regions on October 1, 2017 are functioning 807 colleges, including 462 state. Training for the agro-industrial complex in the framework of technical and vocational training It is conducted in 21 specialties. Training agrarian structure with specialized secondary education are 62 colleges located throughout the country, except in the Mangistau region. Of these, only 20% are located in rural areas.

The level of practice-oriented training programs do not meet modern requirements of training, the proportion of practical hours is about 20-25%. In this case, there is a weak material and technical base of educational institutions.

At the same time, all of the subjects of agriculture 80% of small farms and farms that are in need of specialized professionals. At the same time in the production lacks agronomists, livestock, masters-adjusters, etc.

Earlier in virtually every area of functioning vocational schools (lyceums, schools), who prepared the workers of mass professions, such as tractor drivers of agricultural production, adjusters agricultural machinery and tractors, fitters, operators of machine milking, plodoovoshevody(fruit growing), operators of veterinary treatment animal, poultry, breeders, operators livestock farms, the fish farmers, etc. In this training was carried out by 10 (based on secondary) and 36 months (on the basis of incomplete secondary education - graduates grades 8-9).

The main directions of university activity weakly focused on solving business problems of production and inculcation of practical skills of students. Together with the industry associations of agricultural commodity producers, local executive bodies work on the needs of weak monitoring conducted in the frames, the involvement of young professionals in the framework of the project "With diploma in village!" and the involvement of rural youth in various social projects. Work to enhance the prestige of agricultural professions is not carried out properly.

Problems:

1. Low competitiveness of domestic scientific research.
2. Lack of focus research on the most urgent tasks.
3. Inefficient allocation of funding for research.
4. Insufficient funding for agricultural science.
5. Underdevelopment transfer of research results into production machinery.
6. Lack of the system of training the workers of mass professions.
7. The quality of training of specialists with higher and secondary special education does not meet the production requirements.
8. The low share of employment in the agricultural enterprises of agrarian education graduates.
9. Weak material and technical base of educational institutions.
10. The low level of motivation of young professionals to consolidate in the countryside.

5.2 Directions of perfection of measures of state regulation of agro-industrial complex

Agro-industrial complex of Kazakhstan is a system especially requires a specially designed government policy, which would include all aspects of the development of this

system.

The objective necessity of the agrarian reformation was due to the fact that agriculture in Kazakhstan was expensive, mainly extensive and destructive to the natural environment. Labor productivity and production yield per unit area and the consumption of resources remained low, and the gap between our country and developed countries in the world on these indicators increased steadily not in our favor.

State regulation of development of agriculture is necessary to preserve the agricultural sector, which has the following features: Low yield, seasonality of conducting management and use of resources, slow capital turnover, etc. Never forget that the agricultural sector provides the production, processing and marketing of agricultural products, and provision of population of any country food is the most important strategic task.

Crop.

For effective crop development, reduce manufacturing costs of its products will be of careless regional specialization of production with reference to the infrastructure of processing and marketing of products.

To do this, will be stimulated by the construction of infrastructure, storage, transport, processing and marketing of products, the use of fertilizers and pesticides, as well as the production and use of seeds of high reproductions on the basis of cooperation. These measures will allow obtaining a high yield and high quality products.

Technical and technological modernization of the seed will be implemented through subsidizing the investment costs and the creation of a technological platform for seed.

Conditions will be created to upgrade machinery and equipment subjects of agriculture in priority order.

In order to ensure the diversification of cropping patterns, growth in the production of animal feed and export demand to stimulate production of barley production will be ensured, oats, grain maize.

To download the enterprises for processing of oilseeds and an increase in export demand products will be provided to stimulate the production of oilseeds, including sunflower, canola, flax, soy, and purchasing these products processing enterprises.

In order to promote horticulture, viticulture by subsidizing the investment costs will stimulate the tab of fruit and berry crops and grapes, the production of vegetables in the off-season in the greenhouse complexes, the use of water-saving technologies, and to ensure cost recovery bookmarks and cultivation of apple orchards varieties "Sic". A full cycle of infrastructure will be created, harvesting, storage, processing and marketing on the basis of cooperation.

The potato will be taken to improve the quality and intensification of production by promoting the use of virus-free seed potato, potato storage to support the construction.

In order to improve production and processing of sugar beet will be taken to stimulate the production of sugar beet and the purchase of sugar beet processing plants, construction of mini-mills and the reconstruction of the existing sugar factories by subsidizing the investment costs and the introduction of water saving technologies.

Support for rice and cotton production will be carried out by promoting the introduction of water-saving technologies, the use of laser planners in rice growing. Additional support will be carried out within the framework of regional programs of development of territories, lending and leasing.

In order to ensure the livestock industry needs to stimulate forage production growth will be achieved in feed by subsidizing the cost of their production and investment costs for purchase of specialized machinery and equipment.

Livestock.

The beef cattle in order to increase the demand for higher quality and therefore more expensive breeding products will be enhanced quality control of breeding production, improved mechanisms for evaluating the quality of selection and breeding work on the part of national chambers of commerce and the state will also be stimulated by the purchase of breeding animals by improving the quality product pedigree reproducers, with material and technical base and properly carrying out maintenance breeding and breeding .

To improve the breed of cattle, as well as improve the efficiency of feeding is to use the potential of breeding bulls in private farms and farms.

In order to reduce costs when purchasing cattle through private investment trading infrastructure will be created livestock.

In dairy cattle to increase milk production volumes commercial measures to promote the creation of family and industrial dairy farms will be taken to stimulate increased mechanization of production, and in the selection and breeding work to stimulate the creation of pedigree reproducers and use of quality breeding material.

In sheep take priority focus will be the production of mutton and fine wool.

For the production of lamb will be introduced for the year-round producing and rearing lambs.

In order to fine wool production is stimulated by selection and breeding work using rams fine-fleece rocks with the circuit regions of specialization. This will ensure the utilization of production capacity for primary processing of fine wool due to the development of rural cooperatives.

AT horse and camel, the focus will be on the production of commodities. This will be set up agricultural cooperatives to provide services, harvesting and processing of products horse and camel, as well as to continue the program of pasture irrigation by subsidizing the cost of equipping wells and carrying out measures to improve pastures.

In the poultry industry will be taken to stimulate the chilled poultry meat production and consumption, the creation of family and commercial poultry meat and hatcheries, deep processing of eggs.

Through regional programs will be stimulated nontraditional direction poultry (waterfowl and quail).

To improve the efficiency of pork production availability of breeding material will be provided and measures to stimulate the modernization of existing pig farms and farms.

In order to ensure the internal market and the use of honey export potential in beekeeping will be taken to stimulate modernization of material-technical base and breeding work in order to increase productivity of bees. The question of creation of the honey-feed conveyors will be worked out. There will also be updated and harmonized regulatory, legislative and technical beekeeping base in accordance with international requirements.

Supporting the development of maral breeding, goat and rabbit will be carried out in the framework of regional programs for the development of territories and lending and personal subsidiary farms.

In order to improve the efficiency of agricultural animals and birds will be taken to create a stable fodder base, closely related to the zonal climatic conditions to which the livestock structure must be adapted to the area.

This will be developed by the country aft balance and updated the basic diet of farm animals in a regional context, taking into account natural and climatic features, as well as to determine the optimal placement of the structure of crops and forage crops promising forage and pasture culture with optimal agriculture.

In addition, measures will be taken to involve in turn fallow and wasteland by encouraging indigenous and surface improvement of natural pastures, fencing and rehabilitation of irrigation systems. There will also be taken to improve the effectiveness of the methods of preparation and storage of feed.

As part of the development of forage production and seed production will be developed and implemented a mechanism to ensure utilization of feed enterprises and promote the use of animal feed.

Also, food production as a priority sector will be provided by the system and address the measures of state support under the State program of industrial-innovative development of

Kazakhstan for 2015 - 2019 years, including the attraction of foreign investment and export promotion.

Production and turnover of organic products.

In order to improve the regulation of production and turnover of environmentally friendly (organic) agricultural production will be taken to improve the national legislation in the sphere of production and turnover of organic products, in particular, the creation and accreditation of national conformity assessment bodies and the monitoring of ecologically clean (organic) products on national and international norms.

The standard of environmentally friendly (organic) products will become the brand «Made in Kazakhstan». For its implementation in the framework of a separate standard to be developed for Assigned brand requirements, commodity selection criteria.

There will also be harmonized rules (standards) production, trafficking and certify environmentally friendly (organic) products to international standards and requirements, as well as the laws of the countries - importers of environmentally friendly (organic) products Kazakhstan and developed technical standards for the production and use of biological plant protection agents, soil conditioners, growth promoters and other biological products used in the manufacture of environmentally friendly (organic) products.

It will be implemented statistical reports on the production, sale, export and import of environmentally friendly (organic) products.

To stimulate demand for Kazakh environmentally friendly (organic) products to the domestic and foreign markets and the promotion of the production of environmentally friendly (organic) production of awareness-raising activities will be organized, representation and protection of interests of Kazakhstan's environmentally friendly (organic) sector at the international level, including at international exhibitions, shopping venues and forums for cleaner (organic) production, it will also be assisted in Danish model farms to showcase technologies, practices, methods, environmentally friendly (organic) production and cooperation of producers of ecologically clean (organic) products.

Processing of agricultural products and food processing.

In order to maximize the loading of processing enterprises, increasing the share of agricultural raw materials and increase the competitiveness of domestic products on the domestic and foreign markets a range of measures to be adopted.

System of procurement and supply of agricultural products and personal part of the small peasant (farmer) households will be formed to processing plants through agricultural cooperatives.

Subsidizing the investment costs for the construction and modernization of enterprises

will be continued on the processing of agricultural products and food industry with advanced equipment, focused on the production of competitive export-oriented products.

They will encourage the establishment of domestic and export brand products of agricultural raw materials and food industry, support for export of processed products and the food industry with high added value on a priority basis.

Measures will be implemented by the certification organization for the international requirements of enterprises for processing agricultural products and food industry, export-oriented, and training and retraining of managers and specialists of enterprises for processing agricultural products and food industry.

It will be developed and implemented a system of traceability of livestock and crop production.

Agricultural engineering.

Agricultural engineering will be provided by the system and address the measures of the state support.

For the development of agricultural machinery will also take measures such as the conclusion of agreements on the production of the most popular types of agricultural machinery and equipment with a high level of localization and monitoring performance, to provide scientific and technical infrastructure, stimulating demand by subsidizing investment costs of agricultural commodity producers, the provision of credit and leasing through JSC " KazAgro "taking into account implementation and measures for the organization of production of the most popular types of agricultural machinery and equipment with a high level of localization.

It will also study the issue of the transfer functions in the regulation of issues of Agricultural Engineering of the Investment and Development Department in the Ministry of Agriculture.

Manufacture of agrochemical products.

Manufacture of agrochemical products as a priority sector will be provided by the system and address the measures of state support in the framework of GPIIR, including the creation of a regional hub for fertilizer production, attracting foreign investors, modernization of existing enterprises and enhance to develop innovative agrochemical technologies.

Improving the system of subsidies.

In order to improve the effectiveness of grants and maximum coverage of agricultural commodity producers of state support measures will apply a more detailed definition of the criteria and subsidy regulations. As a priority, subsidies will be channeled to support the production of marketable products, reduce production costs.

General measures improving the subsidy. The following changes in the subsidy system

will be introduced in 2017:

- advantageous transition from subsidies in relative terms, as a percentage of the cost of goods, works and services, to subsidize in the absolute, in terms of value;
- optimization of the timing of the issuance of subsidies in accordance with the terms of the technological processes in the industry;
- subsidies for priority on the following priorities: import substitution, export orientation, and other areas; upon reaching the indicator to ensure domestic consumption subsidy level will be reduced;
- transition from subsidizing interest rates to subsidize investment costs in order to avoid the accumulation of long-term obligations of the state, except for subsidizing interest rates on finance working capital loans with lending up to one year;
- Implementation of subsidy of certain types of agricultural products, which are of great regional significance, at the expense of MB according to the rules developed by the competent authority.

In the future, the following subsidy system will undergo dramatic changes:

- The gradual introduction of an automated system for the review of all applications for subsidies, conduct monitoring and data consolidation on the recipients;
- Transition from subsidizing the cost of certain types of integrated policy to subsidize the enterprise on the basis of its performance and monitor the effectiveness of paid subsidies;
- Drastic reduction of species and granted subsidies requested from the subjects of agriculture documents;
- To improve the effectiveness of subsidies and coverage of agricultural commodity producers of state support measures will apply a more detailed definition of standards and criteria for subsidies.

In addition, the transfer functions of the operator in a competitive environment for some subsidy types (financial health, investment subsidies) showed a different approach of local executive bodies in the choice of the operator, the determination of the value of their services, performance of functions of the operator, thus was conducted low-quality and diverse approach to monitor, provided subsidy rules were violated reporting deadlines.

Given the need for a uniform approach to the implementation of the state support measures for certain types of subsidies (financial health, investment subsidies), local authorities (Service Provider) can involve a single operator from a number of specialized organizations. For some types of subsidies will be eliminated the operator to redirect funds to pay for his services to the payment of subsidies.

Changes in subsidies in crop production and processing of crop products will be aimed

at encouraging the introduction of new technologies, the use of high quality when sowing seeds, large-scale application of mineral fertilizers, plant protection products, the acquisition of high-performance agricultural machinery and equipment, factors directly affecting the increase in productivity, product quality and its cost, respectively, to achieve the maximum effect from the production. This will allow for loading of processing capacities, increase production of high value-added, export-oriented, to achieve import substitution of vegetable oils and sugar.

To subsidize fertilizers and pesticides will change the criteria and mechanisms of the transition from the established norms of subsidies as a percentage of the absolute norm in tenge regardless of the country of origin. In addition, the legislative framework will be established to subsidize not only herbicides, but also insecticides, fungicides, defoliant and other types of pesticides. The transition to an absolute norm will reduce the risk of unjustified price increases encourage the purchase and expansion of the range of application of fertilizers and pesticides.

The seed will be resumed subsidizing of original and elite seeds, changed the mechanism of subsidizing first-reproduction seeds (without minimum standards and only the priority crops) and elite seedlings of fruit and berry crops and grapes (instead of implementing the acquisition) while continuing to subsidize the first generation hybrids.

For grain will be removed the existing procedure of subsidizing per hectare with the transition to crediting of spring field works JSC "Agrarian Credit Corporation" and the forward purchase of JSC "Food Corporation". JSC "Food Corporation" will act as the operator of a forward purchase for specific scope and the list of crops with the subsequent realization of a feed mill for processing.

For forage crops, cotton, rice and greenhouse vegetables subsidies per 1 hectare will be continued with the preservation of basic subsidies (seeds, fertilizers, pesticides).

In addition, the mechanism for greenhouses per a hectare subsidy will be changed with the use of a differentiated approach subsidy payment depending on the year of commissioning greenhouses and applied technologies.

To stimulate the production of products (fruits, vegetables, and potatoes) will be subsidies, based on actual production volumes by providing the possibility of obtaining grants through the association in co-operatives.

In order to provide raw materials and capacity utilization of the processing enterprises a new mechanism for subsidizing the cost of 1 ton of oil seeds and sugar beet will be introduced.

In addition, it will continue to subsidize the cost of services for water supply of agricultural commodity producers.

Changes in livestock subsidies will be focused on maximizing the effectiveness of state support for the industry measures in priority areas.

The cattle will transition from brood stock subsidy to subsidizing brood stock to offspring in relation to the percent yield.

To ensure equal access to subsidies manufactured products (beef, milk, poultry, edible egg, and pork) will be revised criteria, reduced thresholds and differentiated standards to reflect actual production volumes, as well as the opportunity to receive subsidies through the association in co-operatives.

To improve the availability of pedigree cattle dairy, breeding piglets, day-old chicks and breeding eggs and parent-parent form will increase subsidy standards.

For the development of priority directions of productive sheep (fine-fleeced sheep) will be differentiated standards for subsidizing breeding work and the purchase of pedigree cattle, as well as the transition from subsidy to mutton lamb subsidies in view of its export potential.

Processes breed cattle conversion will be adjusted through feedlots.

Subsidizing livestock sectors of regional importance (camels, horses, maral breeding, beekeeping, goat), will be funded by the MB based on adjustments of territorial development programs in accordance with the scheme of specialization of regions.

To achieve the targets of aquaculture will be implemented subsidize the cost of investing in the establishment of new and the expansion of the production capacity of existing hatcheries (lake-commodity fish farms, cage farms, fish farms with installations of close water supply) and subsidizing the cost of feed costs in growing sturgeon salmon and carp fish species in aquaculture (pond, basin, cage, fish farms with the use of installations of close water supply, lake-commodity fish farms).

Financial healthy subjects of agriculture will be on the previous liabilities. In addition, there will be changes in the rules of subsidizing interest rates on credit and leasing obligations in the framework of the financial recovery of agro-industrial complex of subjects with regard to establishing the requirements for the execution of the financial recovery plan. The subjects of agro-industrial complex, have admitted the delay in payments over 90 days, they will be immediately excluded from the program of financial recovery.

Practice has shown that subsidizing interest rates on loans and leasing, with the exception of loans for working capital, has not resulted in a sharp inflow of investments from the banking sector.

Subsidizing interest rates on loans and leasing, with the exception of loans for working capital, will be carried out only under the loan agreements already included in the program "Agribusiness - 2017" in 2014 - 2016. The use of credit resources, including to replenish working capital and leasing, will be possible through the subsidiaries of JSC "KazAgro", credit unions and cooperatives, microfinance institutions, as well as support programs implemented

by JSC" Entrepreneurship Development Fund "Damu" .

In this regard, since 2018 it will be a transition from subsidizing interest rates on loans and leasing with credit terms of two years or more, except for loans for working capital, to subsidize investment costs of subjects of agriculture while maintaining subsidies interest rates on loans working capital financing with a term of lending to one year. At the same time released funds will be allocated to investment subsidies, which will meet the needs of investors - subjects of agro-industrial complex.

This will set a mandatory standard for the subject of agriculture, involved in the investment subsidies, as a priority, to repay the principal amount of the loan / leasing of machinery and technological equipment, and will also be stricter rules subsidizing part of the immediate cessation of subsidizing interest rates in cases of assumptions subjects of agro-industrial complex overdue loans over 90 days.

Subsidizing the investment costs will be focused on providing the most effective and popular public support for measures aimed at cheapening of investment costs and reduced payback period of investment projects.

Further implementation of the investment subsidy program will be based on the development of a new edition of the Rules of subsidies for reimbursement of the costs incurred by the subject of agriculture, with investments, which provides:

- revision of priority in favor of subsidizing agricultural cooperatives that implement projects to milk collection stations, slaughterhouses, receiving and storage of fruits and vegetables, poultry, fodder plants, SPC, acquisition of agricultural machinery, etc. with the aim of better coverage of small and medium country economic commodity producers;
- exclusion of subsidies retrospective of investment projects (implemented until January 1, 2016);
- introduction of compulsory matching subsidy of major investment projects for the creation of new and expansion of existing production capacity with the Ministry of Agriculture for the effective implementation of sectorial policies, effective budget allocation;
- introduction of new technological criteria for subsidizing investment projects on creation, providing the project check for the feasibility and return on the creation or expansion of capacity (geographical location, logistics, the demand for products, the availability of a number of cheap energy sources, compliance with veterinary / sanitary safety, accessibility raw materials and markets, innovation, etc.);
- Reduction of the threshold criteria for the presence of arable / livestock for a wider coverage of subsidizing small and medium size of agricultural commodity producers;
- Differentiation maximum allowable value of subsidized equipment and machinery in

order to save cost means;

- review the Commission's decisions on approval but not secured budgetary funds projects for compliance with the provisions of this Program.

For further development of the system of procurement organizations and agricultural cooperatives will be taken to amend the Law of RK "On state regulation of development of agriculture and rural areas", as well as the rules of subsidizing procurement organizations in the sphere of agro-industrial complex of the amount of tax on the value added tax paid to the budget, within the calculated value added tax, in part:

- Exceptions to the subsidy account in determining the proportion of the total annual income from sales of agricultural products;

- reduction of agricultural cooperatives terms of the need for annual income from harvesting from 90 to 50%.

- supplement the list of agricultural products subject to subsidies.

The implementation of the above changes will allow procurement organizations and agricultural cooperatives to avoid the distraction of working capital for a long period of time, will contribute to the development of processing industry, interest private households in the growth of production and sales of its own products, as well as import substitution of agricultural products and processed products.

Due to the low interest of insurance companies and guarantors of involvement in subsidizing under the guarantee and loan insurance will be introduced a tool to guarantee loans of financial institutions through JSC "KazAgroGarant". The guarantee will be provided on the basis of vicarious liability of the guarantor to the Indemnity costs.

Perfecting the credit system and guarantee obligations.

The main measures of improving the credit system and guarantee obligations will be directed, first of all, to expand customer coverage, the involvement of small and medium enterprises, cooperatives.

So, we plan consistent reorientation of activity of JSC "KazAgro" from the sale of instruments of direct support of agricultural commodity producers to implement comprehensive measures to improve access to finance in rural areas.

Will be used to raise funds from the capital markets to fund private financial institutions, in particular, credit unions and agricultural cooperatives for on-lending subjects of agriculture. They will also be set up self-regulatory organization of credit unions and cooperatives to develop standards and rules function activities of the control and supervisory functions over the activities of credit unions.

In order to provide the possibility of agricultural commodity producers to realize the

harvest of budget financing mechanism will be reviewed during the season of higher prices of spring-field and harvest works.

Work will be done to expand and develop a network of credit unions and cooperatives, as well as the inclusion of the reception of deposits in the list of operations carried out by credit partnerships.

JSC "KazAgroGarant" will provide loan guarantees of financial institutions. Also JSC "KazAgroGarant" will participate in the insurance system in crop production and animal husbandry.

These changes will allow the system of credit cooperation to involve the rural population means for solving the problems of development of agriculture, reduce the dependence of credit unions by state financial support to increase access to credit for the large rural population.

Improving the system of risk insurance.

Formation of the insurance system will be built based on existing experience, including a mandatory and voluntary form. It will be necessary to develop draft amendments to the Law. A number of problems in the insurance in crop production requires some reform of this type of insurance. Consideration should be given to the introduction of advanced international experience of agricultural insurance Kazakhstan. An alternative is to implement a successful agricultural risks insurance model. Particular attention is paid to the activities of the WTO in their proper capitalization, determining the state regulator of their activities, to eliminate fictitious insurance, with the exception of Allied of compulsory insurance in plant growing.

Taking into account the international practice in the agricultural insurance system is a database (e-card) insurance by region for the purpose of underwriting risks, simplified mechanisms administration claims settlement and implementation of insurance payments.

Also, measures of state support will be provided by effective farmers using modern agricultural technologies, including the use of the mechanisms of compulsory insurance in plant growing.

Methods of application of implied forms of voluntary insurance will be designed for leasing, obtaining grants, loans for fixed and current assets required in the production of crop and animal products and by-products.

In the medium-term plan will be revised principles for providing subsidies to the phased expansion of the use of insurance products and production processes.

Analyzing the situation on the state regulation of agro-industrial complex of the republic can be assumed that in the future it is necessary to conduct the following factors:

- Align the level of regional development, economic growth in the agricultural sector;

- To balance the level of income of all groups with the value of the minimum consumer basket in order to achieve economic access to food;
- monitoring the quality of food products;
- Implementation of measures to reduce food market dependence on imports;
- Provision of domestic production of staple foods for at least a threshold value.

Sustainable development of agribusiness - the basic foundation for the entry of our country among the 30 most competitive countries of the world.

Thus, we can say that in the Republic of Kazakhstan developed and effectively a comprehensive system of state support of agriculture. It is primarily aimed at encouraging entrepreneurial initiative rural producers, to create favorable conditions for the accelerated development of competitive trends and agro-industries.

6. CONCLUSION

To summarize the above.

1. Analysis of changes in the agro-industrial complex of the country showed that the implementation of agricultural policy should be aimed at increasing the size of targeted financial support, as evidenced by the experience of countries with developed market economies.

2. The next stage of agrarian policy includes a clear definition of the priority objectives of long term agricultural policy of the country and its main sub-goals. Priority objective of agricultural policy - to ensure the supply of the population of basic foodstuffs to the extent necessary, the required quality and self at the expense of domestic production capacity.

3. Unambiguous language the main objective of agricultural policy is a fundamental change in approach to the definition of agricultural production development priorities. Quantitative (grocery) approach should play a major role in determining the purpose of the second level, and structural changes will be considered as instruments of agricultural policy, ensuring the reduction or increase in certain types of food.

4. The ratio of the product and a structured approach makes for a different perspective on the development of solutions to agricultural policy. Neither the land reform 90-ies., No reorganization of collective and state farms in Kazakhstan not only had no justification of resource support, but did not bind to the food problem, and therefore the achievement of the priority-term agricultural policy goals.

5. Since the criterion for determining priority objectives are the rational consumption norms, the state should in the long term focus on compensation for the difference between the actual prevailing diets determining the purchasing capacity of the population, and calculated on the basis of medical standards. It should take into account the provisions of the state support of the population, associated with an increase in the quality of food - an increase in the consumption of meat, fish, vegetables, fruit, and a decrease in consumption of bread, sugar and potatoes.

It is proposed not to restrict food intake to determine the subsistence minimum. On this diet of state power policy should be based. It is intended to generate the necessary level of consumption, to influence change in their variety and quality.

6. Structuring the concept of "agricultural policy" allows you to split ways of achieving its priority goals in four main areas: food, agriculture, agro-industrial and foreign trade. The main role in solving the food problem in the country, according to the criterion of self-sufficiency, belongs to agriculture. The main method of implementation of the policy of self-

sufficiency is to enhance and support income of rural producers.

7. Selection of agricultural policy priorities based on an analysis of indicators of security and self-sufficiency as the criteria to achieve the main goal. With regard to the current situation, the following priorities can be formulated in Kazakhstan:

- Food aspect - the increase in the consumption of meat, fish, vegetables and fruits; reduction in consumption of bread, potatoes, and sugar; stable consumption of fats of vegetable origin and milk products;

- the agricultural and agro-industrial aspects - to achieve self-sufficiency of Kazakhstan grain and its products, livestock products, sugar, fats of vegetable origin, and the development of a grain sub complex is a near-term top priority;

- External dimension - milk products export growth, high-quality domestic products mare, shubat, etc., based on the revival of the indigenous Kazakh technologies increase production of vegetables and fruits of own production.

8. stated above priorities are implemented through a system of state support, which is the essence of the new stage of agrarian policy.

- Food aspect - the implementation of the state policy of food aid the relevant social groups;

- agricultural aspect - financial support for producers of basic agricultural products; the creation of industrial and social infrastructure in rural areas (housing, roads, and the wholesale markets of agricultural products, information support, telephone, gasification, etc.); personnel training; implementation of research results;

- the agricultural aspect - support integration structures that combine enterprise trade, processing and rural producers using cluster method on local levels; encouraging the replacement of equipment in the pre-acceptance processing industries;

- External dimension - support for exporters selected species products, the establishment of tariff and non-tariff restrictions on imports of products for which you want to self.

9. The mechanism of realization of long-term priorities of the agricultural production of Kazakhstan shall be based on the use of program-target approach in the form of state support through targeted food programs based on equity financing from the state, regional budgets and own funds of enterprises. The effectiveness of state programs is also related to the fact that as the primary mechanism for their implementation serves the implementation of investment projects, responsible for the implementation of which is partially assigned to the rural producers.

10. The agrarian sector of the Republic of Kazakhstan has good prospects for further development: the export positions of the oilseed and meat sectors are increasing, and in terms

of grain and flour, Kazakhstan has become one of the largest exporting countries in the world as soon as possible. Kazakhstan's membership in the Eurasian Economic Union and the World Trade Organization creates opportunities and at the same time makes high demands on competitiveness in both the domestic and foreign markets. In this regard, the role of state regulation of the agro-industrial complex is extremely important.

During the period of independence, nine program documents were developed on the basis of which the state policy in the sphere of the agro-industrial complex was implemented: the socio-economic development program "Aul" for 1991-1995 and for the period up to 2000, the Conceptual Program for the Development of the Agro-Industrial Complex for 1993-1995 and until 2000, the Program for the Development of Agricultural Production for 2000-2002, the State Agro-Food Program for 2003-2005, the State Program for the Development of Rural Territories for 2004-2010, the Concept of Sustainable Development of the Agro-Industrial Complex for 2006-2010, the Program of Priority Measures for the Implementation of the Concept of Sustainable Development of the Agro-Industrial Complex of the Republic of Kazakhstan for 2006-2010, the Agro-Industrial Complex Development Program for 2010-2014 and the Program for the Development of the Agro-Industrial Complex in the Republic of Kazakhstan «Agrobusiness - 2017».

In order to increase the volume of agricultural production, with emphasis on the most popular types of food products and the development of export of processed agricultural products, in the forthcoming period it is necessary to ensure maximum coverage of agricultural producers with state support by creating favorable conditions and infrastructure for the production of primary processing, storage and marketing of competitive products.

The Government of the Republic of Kazakhstan has developed a State program for the development of the agro-industrial complex of the Republic of Kazakhstan for 2017-2021. The program is aimed at ensuring the internal needs of the population in demand for agricultural products, the definition of a targeted export policy. The program was developed on the basis of the integration of the Agro-Industrial Complex Development Program in Kazakhstan "Agrobusiness-2017" and the State Program for Water Resources Management in Kazakhstan.

11. In a society expressed the opinion that held Kazakhstan's accession to the WTO will lead to a weakening of the domestic economy. But you cannot assume that accession to the WTO- a factor weakening the economy of a State. The economy of any country, which entered into this international organization, not weakened, but rather strengthened. Another issue - the choice of the right strategy and tactics of competent action in preparation for the accession to this organization. Accession to the WTO, in particular, should lead to the strengthening of Kazakhstan's position in the global market.

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