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## AGRARIAN SECTOR OF KAZAKHSTAN IN THE SYSTEM OF NATIONAL ECONOMY

## ҚАЗАҚСТАННЫҢ ҰЛТТЫҚ ЭКОНОМИКАЛЫҚ ЖҮЙЕДЕГІ АГРАРЛЫҚ СЕКТОРЫ

## АГРАРНЫЙ СЕКТОР КАЗАХСТАНА В СИСТЕМЕ НАЦИОНАЛЬНОЙ ЭКОНОМИКИ

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Abstract. The purpose of the research is to justify the role and importance of agricultural sector of the Republic of Kazakhstan in national economy in terms of theoretical and practical aspects. The development of the country's agri-industrial complex, improvement of its sector and territorial structures promotes the rational allocation of agricultural production, integrated and efficient use of resources, improvement of the final results of its functioning, and provision of the country's food security in general. The paper explores the issues of agri-industrial complex development of the republic, substantiates its role in the structure of national economy. Specifics of agri-industrial production have been presented. The measures of State support of agricultural sphere have been considered, priority directions of the State regulation have been outlined. Issues relat-ed to lending and subsidizing of economic entities have been mentioned.

Аңдатпа. Ғылыми зерттеудің мақсаты ұлттық экономика жүйесіндегі Қазақстан Республикасының аграрлық секторының теориялық және тәжірибелік көзқарас бойынша рөлі мен маңызын негіздеу. Еліміздің АӨК дамыту, оның салалық және аймақтық құрылымдарын жетілдіру аграрлық өндірістің рационалды орналасуына, ресурстарды кешенді әрі тиімді пайдалануға, оның жұмыс істеуінің соңғы нәтижелерін жақсартуға, республиканың азық-түлік қауіпсіздігін қамтамасыз етуге көмектеседі. Мақалада республиканың агроөнеркәсіптік кешенін дамыту мәселелері зерттеліп, оның ұлттық экономикада құрылымындағы рөлі белгіленген. Агроөнеркәсіптік өндірістің ерекшеліктері көрсетілген. Аграрлық салаға мемлекеттік қолдау көрсету шаралары қарастырылып, оны мемлекеттік реттеудің басым бағыттары берілген. Шаруа жүргізуші субъектілерге несие беру және субсидиялау мәселелері қозғалған.

Аннотация. Целью научного исследования является обоснование роли и значения аграрного сектора Республики Казахстан в системе национальной экономики с теоретической и практической точек зрения. Развитие АПК страны, совершенствование его отраслевой и территориальной структур способствуют рациональному размещению аграрного производства, комплексному и эффективному использованию ресурсов, улучшению конечных результатов его функционирования, обеспечению продовольственной безопасности страны в целом. В статье исследованы проблемы развития агропромышленного комплекса республики, обоснована его роль в структуре национальной экономики. Показаны особенности агропромышленного производства. Рассмотрены меры государственной поддержки аграрной сферы, обозначены приоритетные направления ее государственного регулирования. Затронуты вопросы кредитования и субсидирования хозяйствующих субъектов.

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Key words: national economy, agricultural market, agri-industrial complex, sector and territorial structures, food security, State regulation, subsidizing, lending, cluster.

Түйінді сөздер: ұлттық экономика, аграрлық нарық, агроөнеркәсіптік кешен, салалық және аймақтық құрылымдар, азық-түлік қауіпсіздігі, мемлекеттік реттеу, субсидиялау, несие беру, кластер.

Ключевые слова: национальная экономика, аграрный рынок, агропромышленный ком-плекс, отраслевая и территориальная струкутры, продовольственная безопасность, государственное регулирование, субсидирование, кредитование, кластер.

The most important component of the national economy is material production, in which the means of production and consumer goods necessary for life and development of society are created. The material production includes such industries as industry, agriculture, con-struction, transport, trade, and communications. The largest branch of material production is the industry, which consists of two groups of industries - mining and processing.

The agro-industrial sector is one of the key sectors of the national economy and the level of its food security depends entirely on the level of its development. The production of food prod-ucts is one of the most important branches of the economy of Kazakhstan and an inten-sively developing sector in the manufacturing industry.

The agro-industrial complex is a set of branches of the national economy engaged in the production of agricultural products, its stor-age, processing and delivery to the consumer. The development of the AIC, the improvement of its sectoral and territorial structure contribute to a more rational distribution of production, the integrated and efficient use of resources, improving the final results of its functioning, improving the living standards of the population and ensuring the country's food security [1].

At present, the AIC of Kazakhstan is one of the main reproductive branches of the country's economy; it produces about 1/3 of the national income. Support for the agricultural sector, and in particular the food market, is one of the most important tasks of the state. In all developed countries, agriculture is largely supported by the state. This branch of the national economy is least adapted to the market and competition.

The national economy of the country is an open, integrated socio-economic system consisting of organically interrelated structureforming elements, the functioning of each of which mutually encourages the development of the remaining elements and the entire system as a whole. The place of any structure- forming element in the national economy of a country is determined by the functional load that each of them carries in social reproduction and the so-cial division of labor.

When disclosing the essence of the agrarian market, a significant number of authors dealing with the problems of economic theory consider it a subsystem of the agro-industrial comcioeconomic relations between producers and consumers of agricultural products in the sphere of exchange through which sales and purchase of goods are carried out. In this regard, it seems reasonable to consider the agrarian market as a system of production relations, including organizational and legal, arising among people about the production of agricultural products and their bringing to the place of consumption.

Within the framework of a market economy, the agrarian market is a technologically closed system that is open to use conditions that increase systemic efficiency. This system includes the following components: agrarian products market, labor market, land market, capital goods and finance market.

The market of agrarian products is the sphere of the exchange of agrarian products between producers and consumers, formed on the basis of the division of labor. The agrarian market is characterized by certain features arising from the characteristics of the agricultural production itself:

 $\sqrt{}$  dependence of the supply of agrarian products on weather conditions, which limit the possibility of control by the peasant economy for the quantity and quality of products;

 $\sqrt{}$  guaranteed demand for agrarian products, which is due to its ability to meet the needs of the population in food products;

 $\sqrt{}$  the large volume and perishable nature of the product necessitates, on the one hand, the availability of its storage facilities, and on the other hand, the farmer's desire to realize such products as soon as possible;

 $\sqrt{}$  concentration of consumption of agricultural products in cities, which causes the need for its sale, mainly through various intermediar-ies;

 $\sqrt{}$  The persistence of the functioning of the agrarian products market, conditioned by the constant consumption of food by the population for the purpose of the continuity of the produc-tion of labor.

An effectively functioning integrated market in the agrarian sector is a set of its abovementioned components. The absence or insufficient development of any of these markets will lead to a decrease in the effectiveness of market relations.

The main means of production in agricul-ture is land, which differs radically from other means of production (for example, machines, buildings, equipment) by the fact that with its proper use, a high crop culture, soil fertility not only does not decrease, but also increases con-tinuously. Some means of production in the ag-ricultural sector are used only for a short time, and not allthe-year-round. Many production processes in agriculture, especially in crop pro-duction, depend on the season, which leads to a seasonal nature of agricultural production. In these conditions, the time factor, which requires the fulfillment of production processes in the optimal terms, acquires special significance [2].

Factors and peculiarities of agro-industrial production in the RK include the following:

- less favorable natural and climatic conditions of agriculture in comparison with the most important countries-exporters;

- low utilization of production capacities of processing enterprises due to small-scale raw materials sources;

- the unresolved consequences of the protracted systemic crisis of the 1990s;

- weak development of the industrial and market infrastructure in the agro-industrial complex and the APC;

- low science-intensive domestic agriculture;

- the paramount political importance of the agrarian sector as a guarantor of national food security and development of export potential;

- an important social and territoriallyforming function of agricultural production.

Factors restraining the development of food production include:

△ low level of industrial processing;

△ low level of access of agricultural producers to credit resources;

△ the underdevelopment of the social sphere in rural areas;

 $\triangle$  the acute problem of staffing.

Insufficiency of production and noncompetitiveness of many types of domestic food products determine the expansion of food products from foreign countries and exacerbate the problem of selling agricultural products. Part of the income created in the agricultural sector of the economy is redistributed and realized in other sectors. Due to the specific nature of the functioning of agro-industrial production in market conditions, it needs state support.

State regulation of the activities of the subjects of agriculture and agro-industrial complex in the Republic of Kazakhstan is based on legislative and regulatory acts, Resolutions of the Government of the RK, Resolutions of the Ministry of Agriculture of the Republic of Kazakhstan. Regulation of the agricultural sector should be considered in a comprehensive manner, taking into account the entire system of agribusiness. Since gaining independence, Kazakhstan, like other post-Soviet states, has embarked on modernizing the economy and reforming all sectors of the economy. In the market economy, the agrarian sphere requires an optimal combination of state regulation and market levers, which necessitates the development of a theory of stabilization and improvement of the practice of state influence on macro- and microeconomic processes in agriculture and related industries [see 1].

Kazakhstan is one of the few countries that can provide for itself, and develop exports of agricultural products. Therefore, the development of the agricultural market is one of the most promising priorities of many state pro-grams. Program planning and forecasting of the development of the agricultural sector are a combination of the processes of determining the main production indicators in the sectoral and territorial context, the development of social infrastructure and the formation of a system of economic regulation.

The world has developed a variety of forms of planning. They are usually classified taking into account the aspect and the operational level of management. By the level of management, the plans are global, national, interstate, region-al, sectoral, local and at the level of economic entities, their associations. Depending on the setting of goals, tactical and strategic planning is distinguished. Planning is characterized by multidimensionality: social, scientific and technical, environmental, production, financial and other types. Planning can be programmatic and goaloriented.

The form of directing planning is also important, which is expressed in the regulation of taxes, credits, prices, state orders, quotas, etc. In the APC this form can be expressed in the intervention of the state in the economic rela-tions between the main spheres of the complex. This, in turn, is due to the following circumstanc-es:

- a sufficiently high dependence of the agricultural sphere of the agroindustrial complex on natural conditions;

- low elasticity of demand for food;

- low speed of turnover of circulating assets;

- different levels of monopolization in the main spheres of the agroindustrial complex;

- insignificant level of profitableness;

- a high need for modernization of production and social structures [3].

With regard to investment activities in the agricultural sector of Kazakhstan, it should be noted that the most urgent problem and task is the renewal of the machinery and tractor fleet of agricultural production. But it is not possible to update agricultural machinery and equipment in the required volumes. This is due to the low ef-

fective demand of the agriculture manufacturers, the high cost of machinery and equipment, the disparity of prices for agricultural and machinebuilding products, and a number of other reasons.

The strategy of Kazakhstan's entry into the list of 50 competitive states of the world presupposes the need to constantly increase the volume of investments and bring its growth rates closer to the rate of development of the national GDP, since scientific and technical activity is a decisive factor in the economic development of the country.

The depreciation rates of a technical park in agriculture are proof of the need for investment processes in the agricultural sector. The needs of Kazakhstan in agricultural equipment are mainly met through imports and do not have a positive impact on the technical equipment of the agricultural sector of the economy. In Kazakhstan, the Minsk Tractor Works dealer network is well developed, despite the fact that there is a high competition of agricultural ma-chinery.

The country currently employs more than 100 repair and manufacturing enterprises that produce spare parts and agricultural equipment. The volume of their production is about 970-1,125 million tenge of products, their share in the market is 6% -6,5%. Characteristics of de-mand for agricultural machinery depend on the geographical region, climatic conditions, farm size. The main buyers are large grain companies 45%; agriculture manufacturers - 40%; Intermediary sellers - 15%. Agriculture needs efficient means of production, their constant maintenance, modern service. On average, over the past five years, the largest share of investment in agriculture in the regions falls to North Kazakhstan (20.7%), Kostanay (19.8%) and Akmola regions (17.5%) [4].

Since Kazakhstan's agriculture is mostly privately owned, more than 87% of investments for the development of crop and livestock sector are invested by the private sector. The bulk of foreign investment falls on the provision of services in the field of crop production and live-stock. It should be noted that effective agricul-tural producers have certain possibilities for upgrading the technology park, but this situation is not typical for most farms.

Kazakhstan's accession to the WTO will largely affect the development of agriculture, as competition in the domestic market will intensify. It is also obvious that at present domestic agricultural machinery enterprises cannot fully solve the problems of technical re-equipment of the agrarian sector and increase its competitiveness when joining the WTO.

In our opinion, the Eurasian Economic Union of Kazakhstan, Russia, Belarus, Kyrgyzstan and Armenia will dramatically improve the situation in trade and economic cooperation, including in the field of agriculture.

The Address of the President of the Republic of Kazakhstan N.A. Nazarbayev to the people of Kazakhstan "The Third Modernization of Kazakhstan: Global Competitiveness" of January 31, 2017 clearly indicates that it is necessary to create a new model of economic growth that will ensure the country's global competitiveness. According to the President of our country, the agrarian sector should become a new driver of the economy. The agro-industrial complex of Kazakhstan has a promising future. In many respects, we can be one of the world's largest producers of agrarian export products, especially for the production of environmentally friendly food products. The brand "made in Kazakhstan" should become the standard of such products. At the same time, we must become the so-called "bread basket" for the production of grain throughout the Eurasian continent. We need to ensure the transition from raw materials production to the production of quality, processed products. Only then will we be able to compete in international markets.

To implement the fourth direction of the President's Address "The Third Modernization of Kazakhstan: Global Competitiveness", according to which the agrarian sector should become the new driver of the economy, the President of the country in this connection instructed the Government and akims:

≤ firstly, it is necessary to revise the principles of subsidies and gradually switch to product insurance;

≤ secondly, within 5 years it is necessary to create all conditions for the unification of more than 500,000 households and small farmers in cooperatives;

≤ thirdly, it is necessary to raise the level of processing of products, create an effective system of storage, transportation and sale of goods;

s fourthly, it is necessary to increase the level of labor productivity and reduce production costs;

≤fifth, we must improve the efficiency of land use. Within 5 years, it is necessary to in-crease the area of irrigated land by 40%, there-by bringing to 2 million hectares;

≤ sixth, it is necessary to increase the volume of investments in agrarian scientific research, which will be in demand in production.

Also, the President of the country instructed to increase the export of food products by 40% by 2021 through the diversification of agricultural production. These tasks should be implemented within the framework of the new state program for the development of the agro-industrial com-plex.

Lending to the agricultural sector, despite the characteristic features, is subject to the general principles of centuries-old practice, such as

efficiency, efficiency, purposefulness, payability, urgency, financial security of the loan and repayment. Sectoral and intra-sectoral features of agriculture that affect the organization of its lending can be summarized in a concentrated form to such important characteristics for banks that determine the access of organizations to credit resources, such as the level of creditworthiness of agricultural organizations and the degree of collateral of the loan.

The state regulation of the credit system in agriculture is understood as the organizational, economic and legal impact of the state on the procedure for the formation and functioning of institutional forms of credit support for agricultural producers, which provides returnable sources of financing for the production of agricultural products and the reproduction of public goods. All forms of state participation in agricultural lending are in one way or another subordinated to the task of implementing the developed state programs for the development of the agroindustrial complex and lead to both positive and negative results [see 1].

In our country, the state has created more simplified conditions and reduced the registration procedures, set the time limits, frequency and sequence of control checks by various bod-ies and structures. In addition, the President of the country has repeatedly declared a moratori-um on inspections of business entities by vari-ous bodies for a certain period of time. State support in the field of subsidizing the agrarian and industrial complex in recent years amounted to over 25628 billion tenge, lending was in the amount of over 32217 billion tenge.

The experience of countries with developed economies shows that science, high technologies, active innovation activity are the initial driving force of the economic life of the agroindustrial complex, and the primary growth of agricultural provided production is through the implementation of scientific and technological achievements. At the same time. the "Agrobusiness-2020" Program noted a number of systemic problems that hamper the further development of agricultural science as a factor in increasing the productivity and competitive-ness of the country's agro-industrial complex. The main ones are:

 $\sqrt{}$  insufficient funding - a multiple difference in the amount of financing in comparison with the countries - leading exporters of agricultural products;

 $\sqrt{}$  the shortage of highly skilled young personnel - researchers, support and technical personnel;

 $\sqrt{}$  moral and physical deterioration of the infrastructure - the share of research equipment used for more than 20 years is 28%, agricultural machinery and motor vehicles - 41%, operated for more than 20 years without major repairs of buildings - 95%;

 $\sqrt{}$  undeveloped tools for introducing scientific developments and interaction with business;

 $\sqrt{}$  insufficient level of integration of domestic agrarian science into the world scientific system [see 4].

At the same time, the government pays great attention to the development of other priority sectors of agriculture, and in general, to improve the competitiveness of agriculture and food security of the country. It should be noted that before recently, the implementation of this measure was hampered by the lack of legislation. Currently, the relevant amendments to the legislation have been introduced. Besides that, the subsidies of interest rates on loans taken to finance working capital, including, in the purchase of raw materials are planned in all priority areas. The problem of physical and moral depreciation of production equipment processing enterprises will be solved by allocating investment subsidies and subsidizing interest rates on loans.

The subsidies of construction of 5 meat processing plants, upgrading and reconstruction of 135 milk processing enterprises, 56 meat processing enterprises, 5 enterprises for processing fruits and vegetables, 7 sugar factories, 7 oil and fat enterprises, 7 enterprises for the production of pasta and 35 cereal-producing companies will be provided by the state until 2020.

All government actions will help, firstly, to reduce the cost of production, and secondly, to improve the quality and enhance the competitiveness of rural -agricultural products.

Macro-economic and social effects of the implementation of the program "Agribusiness - 2020" are predicted in the following terms:

- an increase in the physical volume of agricultural production by 1.5 times;

- provision of food independence of basic food products at 80% of the domestic market;

- increase in labor productivity per person employed in agriculture by 3 times;

- an increase in export earnings from the sale of agricultural products by 20%;

- attract more than 10 billion tenge of private funds into the sector [5].

In this regard, it is necessary to reform the agrarian science in order to improve the accessibility of educational and consulting services for agricultural manufacturers. Therefore, stabilization and further accelerated development of the agro-industrial complex of our republic is impossible without the reproduction of new knowledge, the replication of the achievements of agrarian science, and their accelerated diffusion into agrarian production. The indicated directions of activity should be provided by expanding the scope of R&D, increasing the need for highly qualified scientific and engineering personnel,

financing research and development at a rate exceeding the economic growth rates, which in turn will lead to further growth of the science intensity of our country's GDP.

State subsidies in the sphere of agriculture and the agro- industrial complex as a whole, in the first place, should be directed to the creation and stimulation of the introduction of advanced technologies for the intensification of production (scientific research, selection, elite seed production, livestock breeding, biotechnology, etc.). Another topical direction is the implementation of investment projects to maintain and develop large engineering factors of production (irrigation and melioration systems, etc.). At present, in the depressed and inefficient agricultural regions of Kazakhstan, the state provides microcrediting of the rural population, including those aimed at the development of all forms of employment (for specific projects). The implementation of the above measures to increase the competitive-ness of the agricultural sector contributed to the successful entry of Kazakhstan into the World Trade Organization and the implementation of our country's strategic goal of becoming one of the 30 most competitive countries in the world.

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

State support of agriculture is a characteristic of most countries of the world community, depending on the specific conditions its purposes varies. For example, countries with industrial economies that have attained a high income and standard of living, tend thus to support comparative effectiveness and competitiveness of domestic food products, the necessary dynamics of technical and technological modernization of production, sustainability of rural areas, i.e. to solve problems that the market self-regulation could not provide the required performance. Countries with transformational economy pose challenges of restructuring and accelerated modernization of production to adapt to requirements of global market and ensure economic, food availability for population [6].

According to the report of the Deputy Prime Minister of the Republic of Kazakhstan - Minister of Agriculture of the Republic of Kazakhstan Myrzakhmetov A.I. "On the results of the socioeconomic development of the agro-industrial complex of the Republic of Kazakhstan and the execution of the republican budget for 11 months of 2016", the increase in agricultural production is observed in all regions of Kazakh-stan. The volume of investments in agriculture grew by almost 50% (48%), amounting to 228 billion tenge against 148 billion tenge last year. This growth is connected with the introduction of new projects in the regions in the framework of the project on the export potential of cattle meat, stimulating measures to introduce cooperation in rural areas, and also by increasing the volume of investment subsidies. In the livestock sector there is an increase in the number of animals by an average of 1.3% and meat production by 3.5%, milk - 3.1%, eggs - 0.1%. Gross harvest of grain amounted to 23.7 million tons in bunker weight, which is almost 4 million tenge more than last year. The average yield was 15.4 c/ha, which is 15% more than in 2015 (13.4 c/ha).

The collected volume fully meets the country's domestic demand and export potential at the level of 8.5-9 million tons. At present, the export of grain is 7.9 million tons, which exceeds the level of the previous year by 12%. 3.6 million tons of vegetables and 2.2 million tons of mel-ons have been harvested, which exceeds the level of the previous year by 511 thousand tons. There is a record harvest of rice, apples and cotton. For the first time in 20 years, sugar beet was sown in the North Kazakhstan region and 14,0 thousand tons were harvested, with a yield of 350 centners per hectare. This is above the national average of 15%. For oilseeds, gross harvest amounted to 2 million tons, which is al-most 1.5 times more than last year (in 2015 - 1.5 million tons). Over the reporting period (11 months of 2016), the volume of food production increased by 3.8% and exceeded 1.2 trillion. Tenge. The production of cereals is increased by 36%, sugar by 49%, flour by 13%, vegetable oil by 14%, sausages and similar meat products by 10%. The development plan for 11 months was KZT 306.7 billion, of which KZT 295.8 billion or 96.4% were disbursed. The expected devel-opment will be 325.8 billion tenge or 99.8% [see 4].

With a view of activation of work in this branch, the Ministry of Agriculture of the Republic of Kazakhstan analyzed the potential of im-port substitution and export. As a result, the fol-lowing 10 priorities for the processing of agricul-tural products are identified: milk processing; meat processing; production of oil and fat prod-ucts; deep processing of grain; processing of fruits and vegetables; production of confection-ery; fish processing; primary processing of skins of agricultural animals; sugar production; prima-ry processing of wool. These priorities are regionalized according to the scheme of agricultural specialization.

Thus, the state regulation of the agroindustrial complex is the economic impact of the state on the production, processing and sale of agricultural products, raw materials, food, as well as production and technical maintenance and logistics of agro-industrial production. The

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need for state regulation of the agroindustrial complex is due to a number of circumstances, among which we can designate:

- the impact of agro-industrial and commodity markets on the macroeconomic situation;

- market failures in the sphere of ensuring an economically fair distribution of income;

- the influence of natural factors on the efficiency of agricultural production;

- demographic role of rural areas.

The main directions of state regulation of agro-industrial production in Kazakhstan are the following:

 $\hfill \triangle$  the formation and functioning of the market of agricultural products, raw materials and food;

△ financing, crediting, insurance, preferential taxation;

△ protection of interests of domestic commodity producers in the course of foreign economic activity;

△ the development of science and the implementation of scientific activities in the field of agro-industrial production;

△ development of the social sphere of the village;

△ other directions defined by the legislation of the Republic of Kazakhstan [see 1].

The state provides financing for the agroindustrial complex and agro-industrial production at the expense of budgetary funds, budgets of the subjects of the Republic of Kazakhstan and extrabudgetary sources. The main tasks of state regulation of the agroindustrial complex are the development of agro-industrial produc-tion, ensuring food security, regulating markets and maintaining economic parity between agri-culture and other sectors of the economy, creat-ing an effective system for managing the agrari-an sector of the economy and implementing a unified scientific and technical policy in the sec-tor, protection of domestic producers and others.

According to the Ministry of Agriculture of the Republic of Kazakhstan, in accordance with the state program "Agrobusiness 2020", since 2011, the state support of the agro-industrial complex has increased from KZT 68.1 billion to KZT 176 billion in 2016 or 2.6 times. At the same time, it is necessary to note a significant increase in the share of expenditures on the agroindustrial complex transferred to the budget of local executive bodies (from KZT 32 billion in 2011 to KZT 155.2 billion in 2016, or 4.9 times). New instruments of state support are introduced, standards for effective types of subsidies are raised, and standards are ineffective [see 4].

This is especially necessary at the present time, when Kazakhstan, having joined the EEA and the WTO, assumed a number of obligations, including agriculture. When Kazakhstan joined the WTO, it was agreed to apply measures of state support to agriculture, in the form of direct

subsidies - a "yellow basket" at 8.5% of gross agricultural output. For comparison, recently entered countries such as Russia, Ukraine, Kyrgyzstan, Moldova, Croatia, Georgia, after negotiations, were given the right to support the "yellow basket" in the amount of 5%. The accession of Kazakhstan to the WTO imposes certain obligations on the country. The legal framework for making commitments in the field of agriculture is the WTO Agreement on Agriculture. Support that has a distorting effect on international trade in agricultural commodities under the WTO is subject to reduction. It should be noted that for Kazakhstan 8.5% is a real opportunity to provide measures of state support to agriculture in volumes necessary for the development of the industry, since subsidies are directly proportional to the value of gross agricultural output. And as the experience of the past years shows, the gross output of agriculture is doubled every five years, which means that the maximum allowable levels of state support will also increase at the same rate.

Thus, in the development of the agricultural sector of Kazakhstan in the national economy and state regulation of agriculture in general, the state and state support play a crucial role. At the moment, the basic act of legislation in this area is the Basic Law of the Republic of Kazakhstan "On State Regulation of the Development of the Agroindustrial Complex and Rural Territories" (as amended on April 28, 16, No. 506-V), which defines both legal and economic bases for the implementation of the state Regulation of the country's agricultural sector.

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