UDK 347.726:338.43 (574)

## TRENDS OF THE DEVELOPMENT OF AGRICULTURAL COOPERATIVES IN KAZAKHSTAN

### ҚАЗАҚСТАНДАҒЫ АУЫЛШАРУАШЫЛЫҚ КООПЕРАТИВТЕР ДАМУЫНЫҢ БЕТАЛЫСЫ

# ТЕНДЕНЦИИ РАЗВИТИЯ СЕЛЬСКОХОЗЯЙСТВЕННЫХ КООПЕРАТИВОВ В КАЗАХСТАНЕ

#### A.M. BALKIBAYEVA

candidate in Economic sciences, associated professor **A.S. ISMAILOVA** 

candidate in Economic sciences, associated professor D.

#### **ZHENSHAN**

candidate in Economic sciences
S. Seifullin Kazakh Agro-Technical University

Abstract. The current state of agricultural cooperatives is considered according to their number, specialization, production volumes based on statistical accounting data for the first quarter of this year. The activities of dairy cooperatives are presented in more detail, since the low utilization of milk processing capacities has prompted the creation of cooperatives in this area. Data on production of milk in the whole country in terms of regions, including agricultural cooperatives, information on their ranking, State support measures that meet the requirements for the provision of quality products, contains data on subsidies. Specialization, composition and structure of members of cooperatives, volumes of milk production in the context of agricultural cooperatives and regions have been presented.

Аңдатпа. Ауылшаруашылық кооперативтерінің санына, мамандандырылуына, өндіріс көлемі бойынша үстіміздегі жылдың бірінші кварталына жасалған статистикалық есеп негізіндегі жағдайы қарастырылады. Осы саладағы кооперативтерді құруға сүт өңдеу бойынша қуаттылықтың төмен болуы итермелегендіктен, сүт кооперативтері қызметі терең зерттеліп ұсынылған. Еліміз бойынша облыстар қимасындағы сүт өндіру деректері, оның ішінде ауылшаруашылық кооперативтер бойынша деректер, оларды сараптау бойынша мәліметтер, сапалы өніммен қамтамасыз ету талаптарына жауап беретін мемлекеттік қолдау шаралары келтірілген. Субсидиялау бойынша деректер де жоқ емес. Кооперативтердің мүшелерінің құрамы және құрылымы, ауылшаруашылық кооперативтер және облыстар қимасындағы сүт өндірісінің көлемі көрсетілген.

Аннотация. Рассматривается сложившееся состояние сельскохозяйственных кооперативов по их численности, специализации, объемам производства на основе данных статистического учета за первый квартал текущего года. Более детально представлена деятельность молочных кооперативов. поскольку низкая загруженность мощностей по переработке молока послужила толчком к созданию кооперативов в этой сфере. Приведены данные производства молока в целом по стране в разрезе областей, в том числе сельскохозяйственными кооперативами, сведения по их ранжированию, еры государственной поддержки, отвечающие требованиям обеспечения качественной продукцией, содержатся данные по субсидированию. Показаны специализация, состав и структура членов кооперативов, объемы производства молока в разрезе сельхозкооперативов и областей.

Key words: agricultural production cooperatives, state support, subsidies, specialization, milk production, products, quality, soft loans, strength, structure.

Түйінді сөздер: ауылшаруашылық өндірістік кооперативтер, мемлекеттік қолдау, субсидиялар, сүт өндіру, өнім, сапа, жеңілдікпен берілетін несиелер, саны, құрылымы.

\*

Ключевые слова: сельскохозяйственные производственные кооперативы, государственная поддержка, субсидии, специализация, производство молока, продукция, качество, льготные кредиты, численность, структура.

Agricultural cooperatives are legal entity in agriculture of Kazakhstan that has been operating in national economy since Soviet Union period. Since Independence in 1991 number of production cooperatives which was only type of cooperatives in agriculture till appearing rural consumer cooperatives in 1999 was volatile. The smallest number of production cooperatives was registered in 1994 (487), the highest in 1998 (2909). By recent data published by Committee on Statistics in Kazakhstan number of agricultural cooperatives accounted 1583 at the beginning of 2017. The highest number of them was registered in Southern Kazakhstan (302) and Akmola (213).

Table 1 shows number of agricultural cooperatives by oblasts for January-March, 2017 with

prevailing cooperatives number in Akmola, Northern, Eastern and West Kazakhstan. Established cooperatives specialized mostly in livestock (83%). Plant cultivation is more popular in southern regions of the nation - Almaty, Southern Kazakhstan oblasts [1].

Considering structure of members of coops, it has seen that house holdings and farmers are the main representatives of cooperatives. This fact can be explained by that they mostly produce livestock production as meat and milk. Earlier we considered that cooperatives mostly spread in livestock. Partnerships is more common type of legal entities in agriculture (98% out of all legal entities – members). Northern Kazakhstan oblast has more single entrepreneurs and house holdings as members than others.

Table 1- Regional and production specialization of agro coops

Oblasts		Number of coops				
	total	seasonal crops	perennial crops	livestock		
Kazakhstan	1 583	96	11	772		
Akmola	213	3	2	177		
Aktobe	33	-	-	15		
Almaty	127	16	3	14		
Atyrau	15	-	-	2		
West Kazakhstan	127	2	-	113		
Zhambyl	50	4	2	7		
Karagandy	62	4	1	34		
Kostanay	122	-	-	103		
Kyzylorda	114	13	-	22		
Mangystau	7	1	-	3		
Southern Kazakhstan	302	33	2	20		
Pavlodar	54	4	1	34		
Nothern Kazakhstan	165	4	-	132		
Eastern Kazakhstan	190	12	-	96		
Source: Committee on	Statistics of the	Republic of Kazakh	nstan			

Share fund of cooperatives in Kazakhstan is 12, 143 billion tenge where Akmola, Almaty and Western Kazakhstan gained the most significant amounts (2,3; 2,4; 2,3 billion tenge respectively). Smallest share funds have Atyrau and Pavlodar oblasts.

Agricultural cooperatives established not only for production but also for procurements of agricultural production from producers. For this purpose, coops made 41,2 mln. tenge on milk cattle, 38,2 mln. tenge on milk, 1,2 mln. tenge on straw and other commodities.

Subsidies and preferential loans are the main state support tool for agricultural coopera-

tives. Subsidies to agricultural cooperative is given for following directions [2]:

- ♦ to reduce 50% cost of new following equipment and machinery: milk collector and refrigerator, milking station, slaughters, poultry cages, tractors and forage harvesters, mini forage producing station, vegetable sorting and packaging station;
- ♦ to reduce cost of meat poultry production, with capacity from 20 tons (40 KZT per 1 kg);
- ♦ to reduce cost of quail eggs production up to 50% per one piece;
- organizing the artificial insemination for sheep up to 50% per one head;

- ♦ to produce agricultural commodities (20 thousand KZT for one head of feeder cattle, 1500 KZT for one head of lamb, 10 KZT per 1 liter of milk, 20 thousand KZT per 1 ton of mixed feed for cattle);
- ♦ for meat and milk breeding operation (1) 18 -20 thousand KZT per female cattle depending on their productivity, (2) 154 thousand KZT to purchase the local breed and 118-200 thousand KZT for import breed;
- ♦ for crop production (1) per 1 ha of grain crops, corn, rice, oilseed, forage crops;

- ♦ to reduce 50% fertilizers cost (nitrogen, phosphorus, potassium);
  - ◆ purchase the original and elite seeds.

During last five years 2011-2015, state subsidies increased to reduce cost of sowing operation 2 times, fertilizers 2 times, crop protection agents 5 times.

House holdings is the most prevailing members of cooperatives as they produce more livestock and have most cattle than other producers (table 2).

Table 2- Structure of cooperatives' members

Region	Number of members					
•	legal including		individuals			
	entities	partnerships	others	farmers	Individual	house
					proprietorships	holdings
Kazakhstan	916	902	14	16 843	775	21 441
Akmola	88	88	-	51	10	7 521
Aktobe	6	5	1	18	30	478
Almaty	428	420	8	251	75	984
Atyrau	1	1	-	6	1	19
West Kazakhstan	1	-	1	62	2	3 482
Zhambyl	125	125	-	77	77	113
Karagandy	11	11	-	21	89	281
Kostanay	11	10	1	8	11	1 110
Kyzylorda	6	6	-	108	199	184
Southern Kazakhstan	213	213	-	15 935	102	544
Pavlodar	10	10	-	151	13	289
Nothern Kazakhstan	13	13	-	23	132	5 350
Eastern Kazakhstan	3	-	3	132	34	1 086

Preferential loans cooperatives can get with 6% interest and pay back after 6 months, 9 or 12 and 24 months depending on direction of agricultural cooperative activities. A normal bank interest for others starts from 19%.

In crop production state gives forwarding loans to seeding at spring time per 1 ha depending on crop type and cultivated area.

Specialization of agricultural cooperatives by sales shows domination of the meat (figure 1). Revenue of meat sold was 610, 5 mln. tenge. Honey and milk production for the given period is similar.

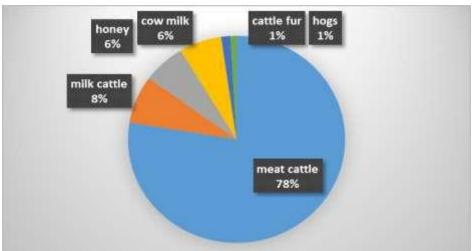


Figure 1- Agricultural commodities sold by agricultural cooperatives

100

Table 3 shows dairy production by agricultural production cooperatives and others. Analysis shows share of cooperatives in milk production that is 0,7% which is not high. Producers of South, East and North of country made the most significant amount of cow milk. Agricultural producer cooperatives of Akmola, Northern Kazakhstan and Almaty were top three.

Ministry of agriculture of Kazakhstan defined to forming agricultural cooperatives next production directions to operate in as family feed stations, family dairy farms, service and procurement (milk, slaughters and vegetables and fruits) [3,4].

Summarizing findings of investigation of cooperation in agriculture we can come to following results. In Kazakhstan agricultural cooperatives is significantly developing accounted 1583 coops by April, 2017.

Table 3- Produced cow milk for January-March 2017, thousand tons

Country and region	Produced total	Produced by APCs	Rank of APCs by volume of produced milk	
Kazakhstan	863,5	10,2	-	
Southern Kazakhstan	141,1	0,065	6	
Eastern Kazakhstan	132,3	0,910	4	
Almaty	142,6	1,041	3	
Nothern Kazakhstan	59,7	2,738	2	
Kostanay	65,2	0,448	5	
Karagandy	64	0,010	7	
Akmola	58,5	5,019	1	
Pavlodar	58,9	-	-	
Zhambyl	48,3	-	-	
Aktobe	47,1	0,005	8	
West Kazakhstan	19,8	-	-	
Kyzylorda	16,3	-	-	
Atyrau	8,4	-	-	
Mangystau	0,4	-	-	
Notes: (1) "- "no data (2) APCs- agricultural production cooperatives				

They specialized on meat, milk production and milk and feed procurement. House holdings and farmers are the main members of cooperatives. This fact can be explained by state reform and policy related to agricultural cooperatives where they were requested to have at least 20 members – small agricultural producers (house holdings and farms) in order to get state subsidies for milk production. Milk and meat production is concentrated in house holdings and farms. In 2016 was operated 176576 farms and 1 608 754 house holdings.

Share fund of cooperatives in Kazakhstan is 12, 143 billion tenge where Akmola, Almaty and Western Kazakhstan have the most significant funds. Agricultural production cooperatives developed in regions differently. Akmola, Northern, Eastern and West Kazakhstan have more cooperatives than other regions. Established cooperatives specialized mostly in livestock (83%). Plant cultivation is more popular in

southern regions of the nation. - Almaty, Southern Kazakhstan oblasts.

### List of the used sources

- 1 Official website of Committee on Statistics of the Republic of Kazakhstan [Electronic resource].- 2017.- URL: http://stat.gov.kz/faces/publicationsPage/ publicationsOper/ homeNumbersAgriculture ( date of request: 09.07.2017).
- 2 Official website of Center of agrocompetencies Atameken [Electronic resource]. 2017. –URL: http://shk.fermers.kz (date of request: 09.07.2017).
- 3 Sundetov Zh.S., Ismailova A.S., Nukesheva A.Zh. The development priorities of Kazakhstani agrarian market // Agromarket's problems. 2016. №2. -P.16-27.
- 4 Ismailova A.S., Balkibayeva A.M. Cooperatives as legal entity in agriculture of Kazakhstan // Agromarket's problems. 2017. №1. P.106-110.