IMPROVING THE MODEL OF DEVELOPMENT OF THE INDUSTRY OF AGRICULTURE OF KAZAKHSTAN

Abstract. The article discusses the main directions of development of agro-industrial complex (hereinafter AIC) of the Republic of Kazakhstan against the background of globalization processes; the main ways to improve the management system in the field of agriculture; optimization of priority
directions of development of foreign economic activity in the era of globalization.

**Key words:** Agro-industrial complex, foreign economic activity, globalization, management, Finance and accounting, economic development.

Agriculture is one of the important sectors of the economy, which forms the food and economic security of the country, as well as the labor and settlement potential of rural areas [1].

Agro-industrial complex of the Republic of Kazakhstan (hereinafter-RK) has good prospects for further development: export positions of oilseeds, meat sectors are strengthening, and on grain and flour Kazakhstan in the shortest possible time became one of the largest exporting countries in the world. Kazakhstan's membership in the Eurasian economic Union (hereinafter - the EAEU) and the world trade organization (hereinafter - the WTO) creates opportunities and at the same time imposes high requirements for competitiveness in both domestic and foreign markets. In this regard, the role of state regulation of agriculture is extremely important [2].

In the context of increasing threats to sustainable food security and independence, an important task is the quality of planning and implementation of policy in the field of development of the agro-industrial complex of the country. For Kazakhstan, due to the continued dependence on imports of a significant share of food products, machinery and equipment for agricultural production and processing industry, the basis for strengthening food security is the increase in the efficiency of the domestic agricultural sector and its basic industries through:

* mobilization of the potential of agro-industrial production capable of guaranteeing reliable provision of the country's population with domestic food, primarily its basic types, regardless of the situation on the world food market;

* formation of competitive food markets, creation of legal framework and infrastructure for their effective development, protection of agricultural
producers from unfavorable conditions of world markets of agricultural products, raw materials and food [3];

* ensuring the optimization of inter-sectoral economic relations in order to achieve a ratio of prices for agricultural and industrial products, which would stimulate the growth of the rate of expanded reproduction primarily in agriculture;

* improving the credit system, ensuring the availability of credit for the bulk of agricultural producers, creating relatively favorable economic conditions for the attractiveness of investment and growth of investment activity in agricultural production in General and in agriculture in particular;

* establishing a system of reliable guarantees for the stable quality of food entering the domestic market, ensuring control over applied technologies throughout the food chain, and especially over imported products;

* increasing and rational use of food resources by increasing the technological level of agricultural production and stimulating the introduction of resource-saving technologies [4];

* formation and development of large-scale specialized zones of production of the main types of agricultural products, based on the balance of resources and consumption in the domestic and foreign markets.

Table 1. SWOT analysis of the agricultural sector

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
</table>


- Kazakhstan ranks ninth in the world in terms of area;  
- by area of arable land per capita Kazakhstan ranks second in the world;  
- Kazakhstan is among the largest exporters of grain and flour;  
- rural population (43% of the total population), high share of employed (18% of the employed population);  
- great potential demand for food products in CIS and Central Asian markets;  
- constant growth of gross agricultural product;  
- high production and export potential of organic products

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
</table>
| - the possibility of increasing the volume of all types of agricultural products due to the growing number and changes in the structure of the population's nutrition;  
| - formation of effective state support for agricultural producers and agricultural cooperatives;  
| - expansion of geography of deliveries and the volume of exports in advanced industries | - adverse changes in natural and climatic conditions, instability of weather conditions;  
|                                                   | - spread of animal and plant diseases and environmental pollution;  
|                                                   | - increased competition in international markets for certain types of products due to accession to the WTO;  
|                                                   | - risk of inefficient state regulation of the industry |

Note: compiled by the authors on the basis of the studied material.

**Methodology.** In the process of the study were used General methods of research: methods of analysis of financial statements: horizontal, vertical, ratio, comparison, and other.

To study the development of the management system of agro industrial complex in the context of foreign economic activity were used the following methods:

- review of the regulatory framework;  
- analytical method;  
- studying of foreign experience;  
- the possibility of application of instruments of state - private partnership;  
- collection and processing of statistics;  
- economic-mathematical calculations.
Main objectives in the development management system AIC [5]:

* development of large-scale agricultural cooperation to involve 500 thousand smallholders in commodity production and the creation of an effective system of sales and processing of products
* implementation of targeted export policy and promotion of Kazakhstan's brand of organic agricultural products
* ensuring the efficiency and availability of state support with maximum coverage of agricultural producers
* increasing livestock production efficiency by 40%
* increase crop production efficiency by 30%
* increase in the share of processing and loading of enterprises by 1.3 times
* formation of an effective system of agricultural technology transfer
* improvement of state regulation of agriculture [6].

Table 2. Gross output of agricultural products (services), in current prices, million tenge.

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross output of agricultural products (services)</th>
<th>among them: the gross output of crop production</th>
<th>the gross output of animal husbandry</th>
<th>services in the field of agriculture</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>1 822 074,1</td>
<td>895 425,2</td>
<td>920 777,3</td>
<td>5 871,7</td>
</tr>
<tr>
<td>2011</td>
<td>2 720 453,4</td>
<td>1 654 428,5</td>
<td>1 059 561,3</td>
<td>6 463,6</td>
</tr>
<tr>
<td>2012</td>
<td>2 393 619,0</td>
<td>1 241 517,0</td>
<td>1 145 437,3</td>
<td>6 664,7</td>
</tr>
<tr>
<td>2013</td>
<td>2 949 485,0</td>
<td>1 683 851,4</td>
<td>1 256 871,7</td>
<td>8 761,9</td>
</tr>
<tr>
<td>2014</td>
<td>3 143 678,1</td>
<td>1 739 436,4</td>
<td>1 393 762,0</td>
<td>10 479,7</td>
</tr>
<tr>
<td>2015</td>
<td>3 307 009,6</td>
<td>1 825 236,7</td>
<td>1 469 923,1</td>
<td>11 849,8</td>
</tr>
<tr>
<td>2016</td>
<td>3 684 393,2</td>
<td>2 047 580,8</td>
<td>1 621 541,4</td>
<td>15 271,1</td>
</tr>
<tr>
<td>2017</td>
<td>4 070 916,8</td>
<td>2 249 166,9</td>
<td>1 810 914,1</td>
<td>10 835,8</td>
</tr>
</tbody>
</table>

Source: Committee on statistics of the Ministry of national economy.

Figure 1. Gross output of agricultural products (services), million tenge.
Note: compiled by the authors on the basis of data from the Committee on statistics (Data of the Committee on statistics, 2018).

The industry lacks the environment and structural technologies for innovation [7]. Moreover, innovations in our practice are not an immanent part of the national reproductive system. Nevertheless, it is still necessary to pursue a policy aimed at the emergence of innovation in the country, as this direction is a strategic vector of development of the national economic system. And this idea should run a red thread through the whole complex of transformative measures.

However, if we approach the solution of tactical problems facing the agro-industrial complex, at the present stage in the implementation of agricultural policy it is advisable to consider it from two positions: as one of the ways to solve economic problems and as a specific tool for solving social issues in rural areas ("NURLY ZHOL - PATH TO FUTURE") [8].

The highest goal of economic development and, accordingly, agricultural policy is to achieve maximum welfare of the whole society. If we take into account the fact that almost half of the population lives in rural areas, we can state the high social importance of this industry for the development of the country. In this connection, it is necessary to develop a Concept for the
development of agriculture, in which the main priority will be the solution of all social issues and the withdrawal of priority export-oriented products to the foreign market [9]. As a rule, all the Concepts and programs of agricultural development are focused on increasing the profitability of production (except for the construction of schools and hospitals), increasing productivity.

Expected results from the implementation of the provisions proposed by the authors:

* increase in gross agricultural output by 30%, or 1 trillion tenge
  • 50% increase in labor productivity
  • the growth of exports and imports by 17%
* extension of irrigated area by 40% – up to 2 million ha
* extension of coverage of agricultural producers by state support measures by 7 times
* involvement of more than 500 thousand smallholders in the sales system through cooperatives
* 1.3-fold increase in the share of agricultural products processing and processing enterprises loading
* the growth of private investment in the industry more than 3 times – up to 427 billion tenge [10].

The implementation of the proposed directions for the management of the development of the agro-industrial complex in Kazakhstan will create conditions for the formation of smallholders as a major participant in the system of agricultural production through cooperation, expanding their production capabilities and improving product quality.

Increasing effective demand and improving the quality of life in rural areas will be the basis for stabilizing the processes of urbanization and improving the social security of rural residents.

The proposed approach to the reform of the agricultural sector of management, suggests the need to take into account the specifics of the functioning of the industry, epistemological roots and impulses of its
development [11]. At the current stage, of course, the innovative vector of modernization of agriculture is very important. But in the development of the concept of development of the agricultural sector, it is necessary to correctly place the emphasis, both in the long and in the short term. It is planned to modernize the sphere of functioning of the agricultural sector in stages and with the correct target orientation. With this approach to innovative modernization of industrial relations and productive forces of the agricultural sector of Kazakhstan, this trend will be a real, effective direction of competitive development of the national economy.

Sources used


11. The President's address to the people of Kazakhstan "NURLY ZHOL - PATH TO FUTURE" 11 November 2014.