

Strategic directions of state support of agriculture in the Republic of Kazakhstan

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Abstract. Agriculture in the context of geopolitical challenges faced by the economies of many countries, including Kazakhstan, needs state support. The state implements a number of measures aimed at regulating the development of agriculture, information centers are opened, grants and subsidies are allocated to support beginning farmers. However, new conditions require not only financial and economic measures, but also the revision of existing theoretical and methodological mechanisms for the implementation of state aid both at the national and regional levels. The article studies the mechanisms of agricultural support through the application of both direct and indirect methods of economic impact of the state. The state support of agriculture covers various directions and the results of the study may be interesting for representatives of both republican and regional levels of government, whose activities are related to the allocation of funds in the form of state support. The need for state support of agriculture is objective, and this objectivity lies in the economic nature of the difference between the position of the agricultural producer and the position of all other market participants, because due to objective reasons agriculture in the free market is not competitive in comparison with other sectors of the economy.

1 Introduction

The agro-industrial complex in Kazakhstan is one of the key sectors of the economy, which plays an important role in the production of socially important products. Agriculture is the central element of the agro-industrial complex and represents a system-forming branch of the economy, occupying a special position not only within this complex, but also in the overall economy of the country.

Effective development of agriculture, as well as ensuring food security of the country, are important priorities of the state policy in the Republic of Kazakhstan, therefore, considerable attention is paid to the state support of agriculture. It is important to note that in order to effectively organize this support, a system of measures aimed at a reasonable combination of stimulating, managing and controlling mechanisms of agriculture is applied. The relevance of this research topic is justified by the need to develop an effective model of

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providing state support to agricultural producers. This is necessary for the creation of a competitive market of domestic agricultural products and successful implementation of the import substitution strategy.

2 Materials and Methods

The analysis of the fulfillment of strategic objectives of agricultural development of the Republic of Kazakhstan was carried out using the data of statistical indicators provided by the Bureau of National Statistics of the Agency for Strategic Planning. In addition, the research of scientific organizations, as well as scientific works of scientists specializing in the field of agricultural development were used.

Within the framework of the research various methods of economic research were applied, such as methods of synthesis and analysis, monographic, abstract-logical, statistical-economic, calculation-constructive, monographic and abstract-logical methods to identify and substantiate the main problems and reasons limiting the development of competitiveness of the agro-industrial complex of the Republic of Kazakhstan.

3 Results and Discussion

The agro-industrial complex occupies an important place in the economy of Kazakhstan, attracting about 20% of labor resources and its share in GDP is about 10%. [18]

The role of agriculture is not limited only to ensuring food security of the country, but also affects other important aspects of the economy and social structure. In the period from 2010 to 2022 there is a stable growth of gross output in agriculture in Kazakhstan, especially in the sectors of crop and livestock production, which are the main sectors of the agro-industrial complex of the country.

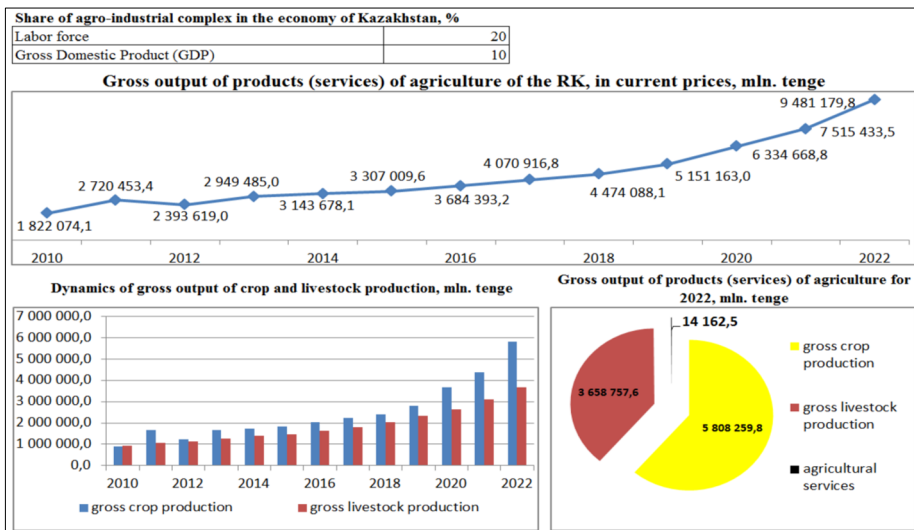


Fig. 1. Gross output of products (services) of agriculture of the RK

Kazakhstan, as an agrarian country, actively participates in the global market of agricultural products. Export of grain, meat, milk and other products gives the country an important place in the global market. Given all these factors, the development of effective strategies to support and sustainably develop the agricultural sector remains a key priority for

Kazakhstan. This includes not only increasing productivity, but also attention to sustainability, innovation and the development of competitive technologies.

During the years of independence, Kazakhstan has implemented several programs and strategies aimed at supporting and improving the conditions of agriculture and the agro-industrial complex as a whole.

Program of socio-economic development "Auy1" for 1991-1995 for the period up to 2000

Conceptual program for the development of the agro-industrial complex for 1993-1995

Program for the development of agricultural production for 2000-2002

State agro-food program for 2003-2005

State Program for the Development of Rural Territories for 2004-2010

Concept of sustainable development of the agro-industrial complex for 2006-2010

Program of priority measures for implementation of the Concept of Sustainable Development of the Agro-Industrial Complex of the Republic of Kazakhstan for 2006-2010 years

Program on development of agro-industrial complex in the Republic of Kazakhstan "Agribusiness -2020"

To date, Kazakhstan is implementing State programs for the development of agro-industrial complex of the Republic of Kazakhstan:

-National project on the development of agro-industrial complex of the Republic of Kazakhstan for 2021-2025 years (Decree of the Government of the Republic of Kazakhstan from 12.10.2021 № 732), which is focused on the creation of a comprehensive strategy for the development of agro-industrial complex, including measures to increase production, support farmers, modernize infrastructure and stimulate innovation [20].

-Concept for the development of agro-industrial complex of the Republic of Kazakhstan for 2021 - 2030 years (Resolution of the Government of the Republic of Kazakhstan dated 30.12.2021 № 960) acts as a long-term strategic program, defining the main directions of development of the agro-industrial sector during the decade. [19]

- Plan for Food Security of the Republic of Kazakhstan for 2022 - 2024 years (Resolution of the Government of the Republic of Kazakhstan dated 31.03.2022 № 178) This plan focuses on measures to ensure food security of the country in the coming years, including strategies for sustainable food production and ensuring its availability to the population. In general, as a result of the implementation of the Concept, it is planned to solve a number of problems (Fig. 3). [2]

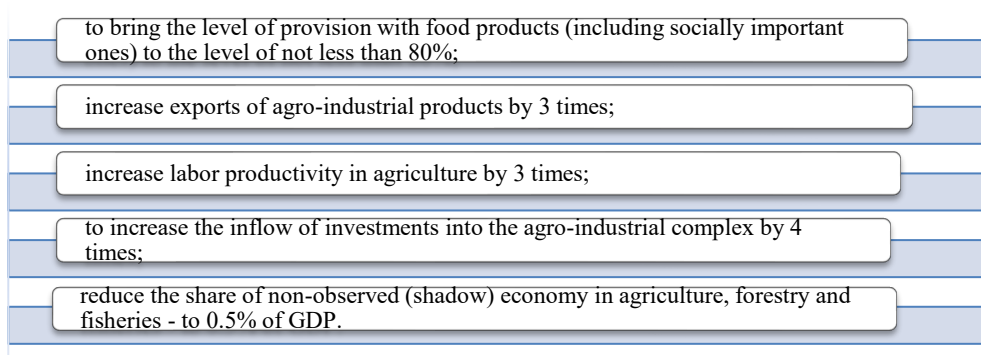


Fig .2. The main objectives of the development of agro-industrial complex of the RK, 2021-2030

All the above programs include the main measures to stimulate investment, improve technologies and ensure competitiveness of agriculture and are aimed at addressing specific strategic objectives and sustainable development of the agro-industrial complex of

Kazakhstan. The implementation of these programs and strategies should contribute not only to increasing production and competitiveness, but also to improving living standards in rural areas and ensuring food security.

Weak results of agro-industrial complex development programs have led to a decrease in the share of agriculture in the country's GDP Figure 3

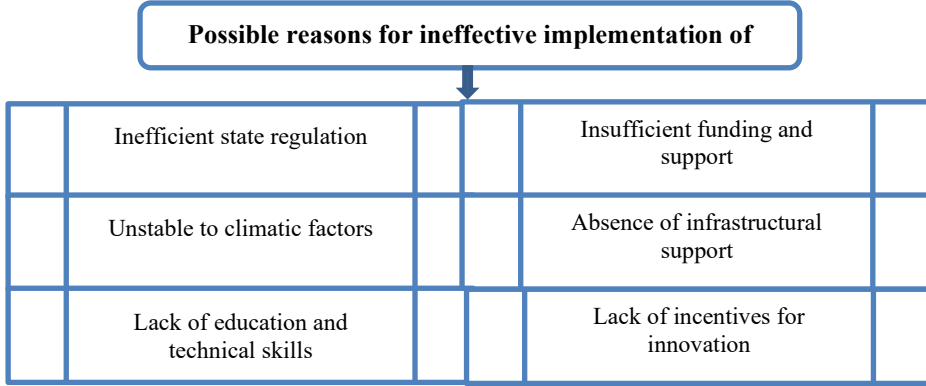


Fig. 3. Possible reasons for ineffective implementation of support programs

Transparency and efficiency in the implementation of agricultural development programs play a special role in creating a sustainable and successful strategy. To ensure that support measures are clearly defined, targeted to address specific agricultural development problems and should be regularly evaluated and adjusted to changing conditions.

To address these reasons and to improve the effectiveness of the implementation of adopted agricultural development programs, it is necessary to intensify monitoring and revise the strategies of state regulation, provide commensurate financing and infrastructure support, and create incentives for innovation and development of modern agricultural practices. It is also important to take into account the views and needs of the rural population, involving them in the decision-making process. Coordination at different levels is essential. The interaction and coherence of efforts of all stakeholders depends on the following aspects:

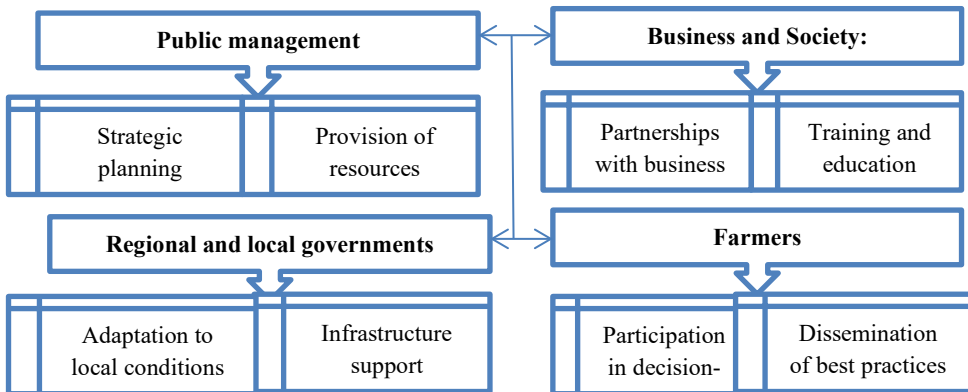


Fig. 4. Participants in the implementation of agricultural development support programs

Close interaction between government agencies, the business sector and the public in unity creates a sustainable and balanced support system for agriculture and improves the overall effectiveness of agricultural sector development efforts. contributes to a better

understanding of the problems and needs of the sector, as well as the formation of more effective and sustainable solutions. As a result, we can expect more successful program implementation and accelerated agricultural growth.

For effective development of agriculture, especially in the context of global changes and challenges, strategic directions of state support of this sector in the Republic of Kazakhstan may include the following aspects:

Table 1. Main aspects of strategic directions of state support for agriculture of the Republic of Kazakhstan in the context of geopolitical changes

Strategic directions of state support	Main components
State support	covers different areas and sectors and is based on an integrated approach, taking into account the diverse needs of the sector and different development scenarios. It aims to create conditions for stable, efficient and sustainable agricultural development
Financial and economic support	Credit programs: Establishing special low-interest credit programs for farmers can help them access the funds they need. Providing insurance schemes for crops and animals to protect farmers from losses due to adverse weather conditions or disease. Subsidies and grants: Providing subsidies and grants can encourage investment in agriculture and help farmers acquire modern equipment, technology and training. Subsidies for the purchase and introduction of modern technologies in agriculture, such as modern equipment, automation of processes and use of modern farming methods. Tariff and trade regulation: Introduction of tariff and trade measures to support the domestic agricultural market and protect against competition in the global market.
Educational support	Technical training: Providing trainings and courses on modern farming methods, resource management and new technologies will help improve farmers' skills. Information resources: Providing farmers with access to information on best practices, market trends and innovations will help them make better informed decisions
Strategic support	Development of long-term strategies: Participate in the development and implementation of long-term strategies for agricultural development that take into account current challenges and future prospects. Partnerships and networking: Facilitate partnerships and networks so that farmers can share experiences, resources and find new markets.
Legal and regulatory support	Development of laws and policies that promote the development of the agricultural sector and provide legal protection for farmers. These measures, taken together, can create a favorable environment for the development of agriculture in Kazakhstan. At the same time, it is important to take into account the specific needs and characteristics of local communities, so that the approach is maximally adapted to the real conditions and challenges faced by farmers.

Funds from the state budget and extra-budgetary resources have been allocated to finance the National Project for the development of the agro-industrial complex of the Republic of Kazakhstan.

Table 2. Amount of financing of the National Project for the development of the agro-industrial complex of the RK, bln. tenge*

Years	Amount of funding from the state budget	Volume of extrabudgetary funds
2021	471.9	807.6
2022	414.1	1 052.50
2023	485.6	1 028.30
2024	674.8	472.2
2025	656.9	739.4
TOTAL	2 703.3	4 100.00

*US dollar 1 USD. Exchange rate. 460.15 ₸.

Support in agriculture can target different facets of the industry, including producers, shared services, and consumers. Here is how support can be provided in each of these areas:
Producer Support:

Financial Assistance: Providing subsidies, grants, and soft loans to farmers and agricultural enterprises to cover the costs of seeds, fertilizers, equipment, and other necessary inputs.

Technological Upgrade: Stimulating the introduction of modern technologies, automation of processes and use of efficient agricultural practices.

Education and Training: Conducting educational programs and trainings to improve the skills of farmers and workers in agriculture.

Risk Insurance: Providing insurance to protect against losses associated with climate change, disease and other risks.

Research and Development: Funding research and development to improve the sustainability and productivity of agriculture.

Supporting common agricultural services:

Infrastructure: Invest in rural infrastructure such as roads, bridges, irrigation systems, and storage facilities to improve access to markets and increase the efficiency of agricultural production.

Cooperative development: Support the establishment and development of agricultural cooperatives that can ensure collective resource utilization and improve bargaining power in the sale of produce.

Shared Services: Provide shared services such as counseling, technical support and agricultural processing services.

Consumer Support:

Product Subsidies: Providing subsidies or incentives for consumers to purchase agricultural products to make them more affordable.

Education about healthy eating: Conducting campaigns and programs to educate the community about healthy eating and the benefits of consuming local products.

Integrated support in these three areas can contribute to sustainable agriculture and food security.

4 Conclusions

1. In light of Kazakhstan's status as a country heavily dependent on agriculture, its active participation in the world market for agricultural products gives it a significant position. Exports of cereals, meat, milk and other agricultural products distinguish the country on the global stage. Considering all these aspects, the development of effective strategies to

support and ensure sustainable development of the agricultural sector remains a priority for Kazakhstan.

2. Over the years of independence, Kazakhstan has implemented several programs and strategies aimed at supporting and improving the conditions of agriculture and the agro-industrial complex as a whole. All programs include basic measures to stimulate investment, improve technologies and ensure competitiveness of agriculture and are aimed at addressing specific strategic objectives and sustainable development of the agro-industrial complex of Kazakhstan. The implementation of these programs and strategies should contribute not only to increasing production and competitiveness, but also to improving living standards in rural areas and ensuring food security.

3. To improve the efficiency of the implementation of the adopted agricultural development programs, it is necessary to intensify monitoring and revise the strategies of state regulation, provide commensurate financing and infrastructure support, and create incentives for the introduction of innovations and development of modern agricultural practices

4. Close interaction between government agencies, the business sector and the public in unity creates a sustainable and balanced support system for agriculture and improves the overall effectiveness of agricultural sector development efforts. contributes to a better understanding of the problems and needs of the sector and to the formation of more effective and sustainable solutions.

5. To ensure effective development of agriculture, especially in the context of global changes and challenges, strategic directions of state support in the Republic of Kazakhstan can cover the following aspects:

infrastructure Improvement, technological upgrade, education and training, financial support, stimulating research and innovation, market development and marketing, environmental sustainability.

These areas can serve as a basis for an integrated approach to agricultural development in the context of current challenges and global market perspectives.

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