

Required Report: Required - Public Distribution

Date: August 02, 2022

Report Number: KZ2022-0017

Report Name: Grain and Feed Update

Country: Kazakhstan - Republic of

Post: Nur-Sultan (Astana)

Report Category: Grain and Feed

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Report Highlights:

FAS-Nur-Sultan forecasts no significant change to wheat planted area for MY2022/23. Producers in Kazakhstan's three main wheat producing regions reported no adverse weather events and precipitation has been generally more than last year, especially through June, although July precipitation in some areas has come in slightly lower. Kazakhstan has extended wheat and wheat flour export restrictions until September 30, 2022. Noting robust demand for wheat flour, the government increased export quotas to meet higher domestic and export demand. After nearly five months of a Russian wheat export ban to the Eurasian Economic Union, Russian wheat was reportedly again flowing into Kazakhstan beginning in early July, forcing domestic wheat prices lower. Wheat and wheat flour exports to Iran increased three-fold to more than 622,706 metric tons (MT) from September 2021 to May 2022, compared to the same period in 2020-2021, mostly due to a reduced production outlook in Iran.

General Information

Note on New Administrative Regions (Oblasts)

On March 16, 2022, the government announced the creation of three new regions (Figure 1). Abai Region was created from East Kazakhstan, Ulytau Region was created from Karaganda, and Jetisu Region was created from Almaty. The three main grain producing regions remain North Kazakhstan, Kostanay, and Akmola, with some volumes also produced in Pavlodar, Abai, and East Kazakhstan.

Figure 1. Map of Kazakhstan with New Regions



Ministry of Agriculture extends wheat and wheat flour export restrictions

On June 15, [Kazakhstan announced the extension](#) of wheat and wheat flour export restrictions until September 30. In addition to the 1.0 MMT of wheat and 300,000 MT of wheat flour of quotas originally announced in April, exporters can export an additional 550,000 MT of wheat and 370,000 MT of wheat flour until September 30. As of June 16, [the Grain Union of Kazakhstan announced](#) that 54 percent of the original 1.0 MMT of wheat export quota, and 91 percent of the original 300,000 MT wheat flour quota, had been exported. As of July 14, 2022 [the Grain Union of Kazakhstan announced](#) that 4 percent of 550,000 MT of new wheat export quota, and 3 percent of 370,000 MT of new wheat flour export quota was exported. Kazakhstanian exporters reported that the relatively low fill rate was due to several factors including higher projected wheat harvests by Central Asian importing countries, importers holding off purchases until Kazakhstanian wheat prices decrease, and consumers switching to lower priced staple foods. For more information about Kazakhstan's wheat and wheat flour export restrictions, please

see GAIN Report [Kazakhstan Extended Wheat and Wheat Flour Export Restrictions Until September 30](#).

Government announced preliminary planting area data

The National Bureau of Statistics [released preliminary data for planted area](#) by crop in marketing year (MY) 2021/2022. It estimated that wheat area would be 12.88 million hectares, barley at 2.18 million hectares, oilseed crops at 3.46 million hectares, flax at 1.4 million hectares, mustard at 35,455 hectares, rapeseed at 141,854 hectares, safflower at 646,608 hectares, sunflower at 1.09 million hectares, and soybeans at 127,666 hectares.

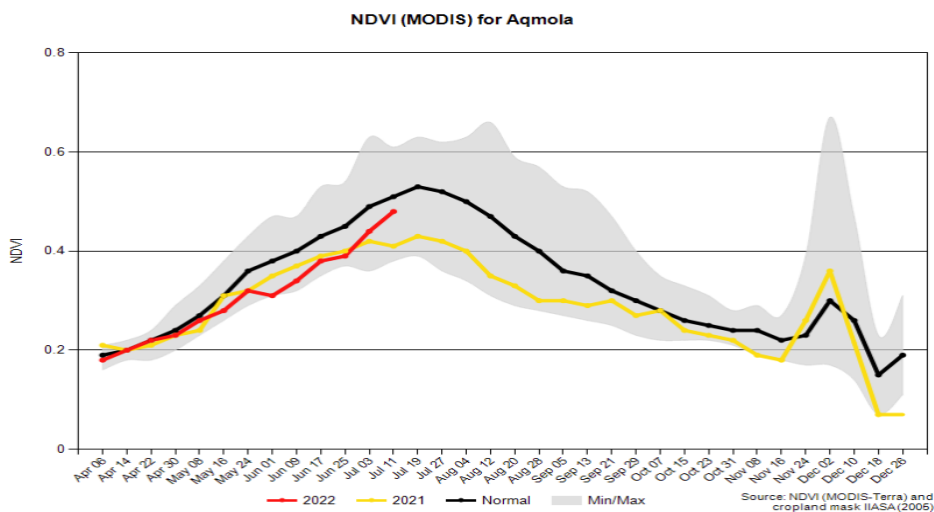
Weather conditions reported to be generally favorable

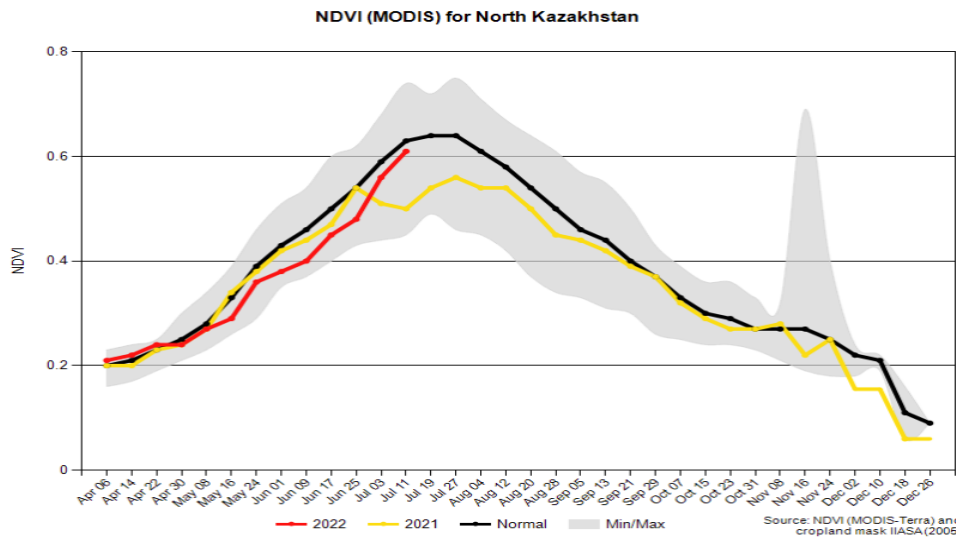
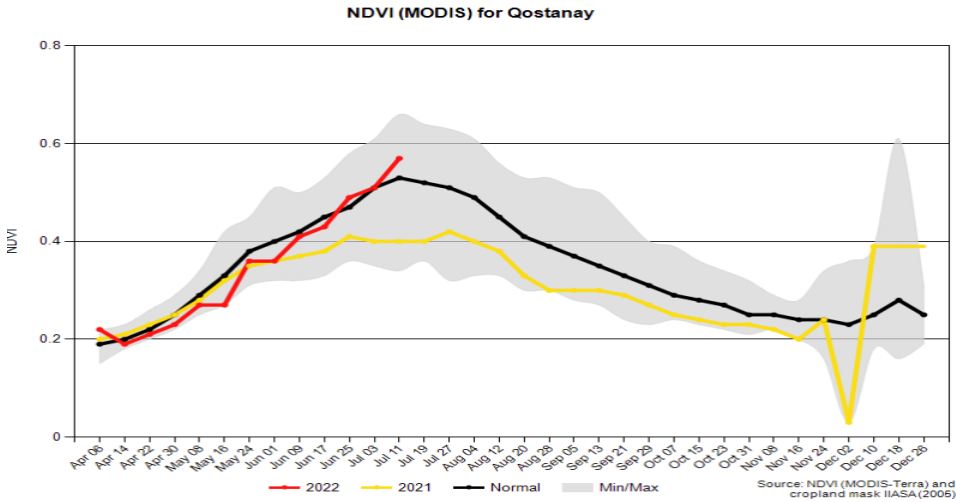
According to the Kazakhstani Weather Service, [the meteorological conditions in the middle of June were satisfactory](#) for the growth and development of spring grain crops. Precipitation had improved the formation of moisture reserves in the soil from last year's dry conditions. The Service noted that in the northern half of the country, grain crop growing conditions were generally good to satisfactory. The plants are currently developing at "third leaf;" "exit to the tube" stage in northern areas, and the earliest planted fields are at the "heading" stage.

Normalized difference vegetation index (NDVI) shows favorable growing conditions

As of July, the NDVI in Akmola, Kostanay, and North Kazakhstan appeared more favorable compared to the same time period last year. The NDVI in all three regions are near historical normal and above 2021 (Figure 2).

Figure 2. NDVI in Akmola, Kostanay, and North Kazakhstan



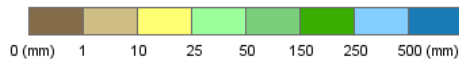
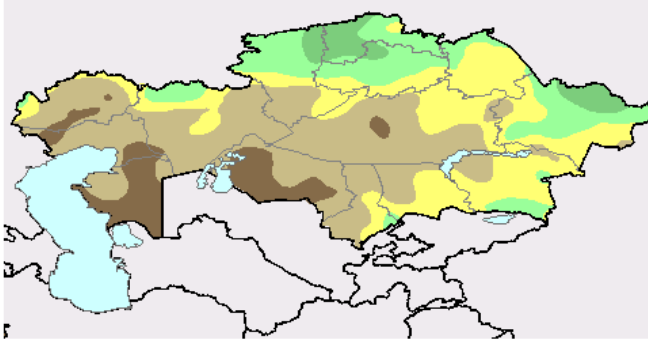


Source: [FAS IPAD Crop Explorer](#)

Figures 3 and 4 show precipitation in June and July, 2022, respectively. After generally higher precipitation, compared to the historical average, during much of June in Kazakhstan’s main three grain producing regions of Akmola, Kostanay, and North Kazakhstan (Figure 3), July’s precipitation appeared slightly drier than average (Figure 4).

Figure 3. Precipitation total and percent of normal, June 2022

Precipitation 1-Month (CPC)
Jun. 1 - 30, 2022



Percent of Normal Precipitation 1-Month (CPC)
Jun. 1 - 30, 2022

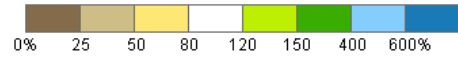
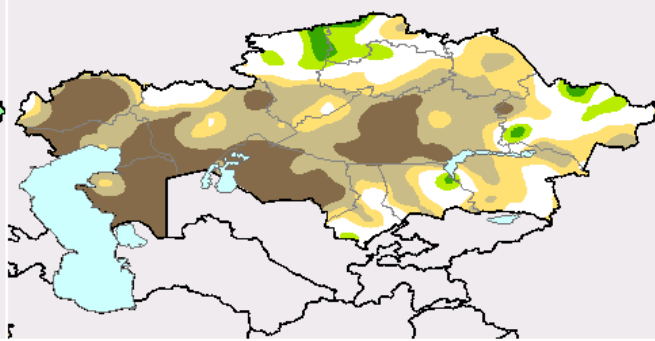
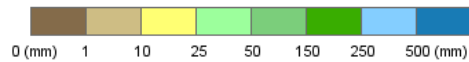
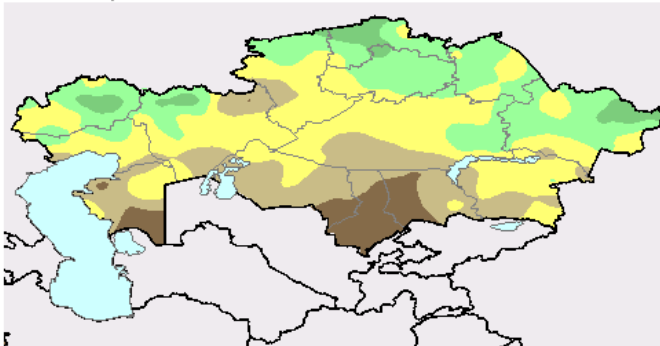
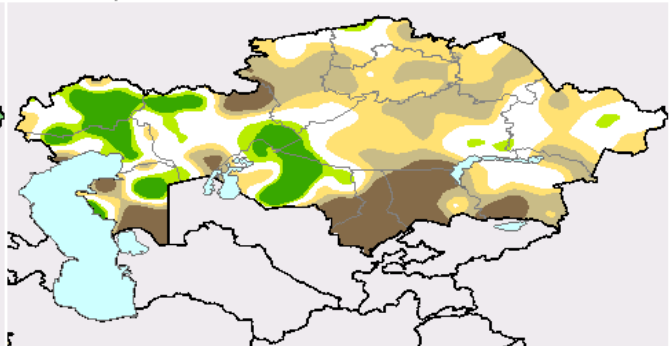


Figure 4. Precipitation total and percent of normal, July 2022

Precipitation 1-Month (CPC)
Jun. 26 - Jul. 25, 2022



Percent of Normal Precipitation 1-Month (CPC)
Jun. 26 - Jul. 25, 2022



Source: [FAS IPAD Crop Explorer](#)

WHEAT

Production

FAS-Nur-Sultan estimates wheat production in MY2021/22 at 11.9 million metric tons (MMT), 0.1 MMT lower than USDA's official estimate of 11.8 MMT (Table 1). FAS-Nur-Sultan forecasts slightly reduced production based on NDVI readings in Akmola, North Kazakhstan, and Kostanay, lower precipitation in July, and comments from producers showing that less than ideal weather conditions have impacted wheat production.

Consumption and Stocks

FAS-Nur-Sultan estimates wheat consumption for MY2021/22 at 4.5 MMT, on par with USDA's official estimate (Table 1).

Trade

Lower exports to Central Asian markets offset by higher exports outside the region

Kazakhstan exported 6.4 MMT of wheat and wheat flour in MY2021/22 (September-May), a 7 percent increase from the same period last MY. Uzbekistan, Afghanistan, and Tajikistan, remained the key buyers of Kazakhstani wheat and wheat flour. However, partially due to Kazakhstan's wheat and wheat flour export quotas, trade data shows a decrease to the historical main export destinations. In particular, wheat exports to Uzbekistan, the leading importer since the beginning of 2021/22 MY (September-May), is reported at 2.5 MMT, a decrease of 9 percent compared to the same period the prior MY (Appendix 1). Afghanistan was the second largest importer at 1.4 MMT, a decrease of 7 percent compared to the same period the prior MY. Tajikistan reduced imports in the first half of the MY to 724,834 MT, a decrease of nearly 15 percent, reportedly due to traders anticipating a strong Tajikistani wheat harvest. Iran significantly increased imports at 622,706 MT, a nearly three-fold increase due to drought affecting its domestic production, and Turkmenistan also increased imports by nearly nine-fold to 429,176 MT due to negative wheat harvest estimates. Exports to China decreased by 92 percent to 27,175 MT as pandemic-related border restrictions limited most grain exports.

Kazakhstan increased exports to several countries outside of Central Asia. In MY 2021/22 (September-May), exports to Italy increased by almost four-fold to 303,552 MT. Exports to Azerbaijan increased nine-fold to 182,736 tons, and to Turkey by three-fold to 77,581 tons. Small volumes of wheat were exported to Latvia at 7,051 MT, Poland at 13,279 MT, and Switzerland at 2,611 MT.

Resumption of Russian wheat and grain exports lower Kazakhstani domestic wheat prices

On March 15, Russia announced export restrictions for wheat, rye, barley, and corn to the Eurasian Economic Union (which includes Kazakhstan) until June 30. After Russian grain exports to Kazakhstan restarted on July 1, [domestic prices have fallen](#) precipitously from about \$377 to \$251 per MT. In addition, Kazakhstani [grain production associations have asked the government](#) to ban Russian trucks from entering Kazakhstan with grain due to reports of underreported low-priced Russian grain entering Kazakhstan, placing further pressure on domestic prices.

FAS-Nur-Sultan estimates wheat and wheat flour exports for MY2021/22 at 8.4 MMT, on par with USDA's official estimates (Table 1).

Table 1. Wheat Production, Supply, and Distribution, July 2022 Estimate

Wheat Market Year Begins	2020/2021		2021/2022		2022/2023	
	Sep 2020		Sep 2021		Sep 2022	
Kazakhstan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	12057	12057	12719	12885	12500	12700
Beginning Stocks (1000 MT)	663	663	1475	1475	789	951

Production (1000 MT)	14256	14256	11814	11976	13000	11800
MY Imports (1000 MT)	1000	1000	1400	1400	1000	1000
TY Imports (1000 MT)	1000	1000	1400	1400	1000	1000
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	15919	15919	14689	14851	14789	13751
MY Exports (1000 MT)	8194	8194	8200	8200	8000	7000
TY Exports (1000 MT)	8128	8128	8400	8400	8000	7000
Feed and Residual (1000 MT)	1450	1450	1200	1200	1300	1300
FSI Consumption (1000 MT)	4800	4800	4500	4500	4600	4500
Total Consumption (1000 MT)	6250	6250	5700	5700	5900	5800
Ending Stocks (1000 MT)	1475	1475	789	951	889	951
Total Distribution (1000 MT)	15919	15919	14689	14851	14789	13751
Yield (MT/HA)	1.1824	1.1824	0.9288	0.9295	1.04	0.9291

(1000 HA) ,(1000 MT) ,(MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Wheat begins in July for all countries. TY 2022/2023 = July 2022 - June 2023

BARLEY

Production

FAS-Nur-Sultan expects no significant changes to planting area for barley for MY 2022/23. FAS-Nur-Sultan estimates barley production in MY 2021/22 at 2.367 MMT, a decrease of 36 percent from MY 2020/21 and on par with USDA's official estimates (Table 2).

Consumption and Stocks

In Kazakhstan, barley is mainly used in livestock and poultry feed. Barley consumption for feed is estimated at 2.0 MMT in MY 2021/22, as livestock herd increases were limited this MY.

Trade

In MY 2021/2022, barley exports are estimated to be 0.5 MMT, on par with USDA official estimates (Table 2).

Kazakhstan exported 381,989 tons of barley in MY 2021/22 (July-May), a decrease of 62 percent from last year due to the higher prices on the market. Since the beginning of 2021/22 MY (July-May), Iran has been the top importer of barley at 159,202 MT, a 76 percent decrease from the same period last MY (Appendix 2). While Iran had historically been the top buyer of barley, exports were hampered by lower production in Kazakhstan, payment transfer issues, and limited transport capacity [through the Trans-](#)

[Caspian International Transport Route](#). China was the second largest importer of barley at 75,212 MT, a 64 percent decrease from last year due to pandemic related transport entry restrictions. Uzbekistan continued to increase barley imports, reaching 100,142 MT, a 75 percent increase from last year, due to feed demand increases as it developed its livestock sector.

Table 2. Barley Production, Supply, and Distribution, July 2022

Barley Market Year Begins	2020/2021		2021/2022		2022/2023	
	Jul 2020		Jul 2021		Jul 2022	
Kazakhstan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	2729	2729	2157	2181	2200	2157
Beginning Stocks (1000 MT)	505	505	612	612	234	234
Production (1000 MT)	3659	3659	2367	2367	2800	2800
MY Imports (1000 MT)	83	83	55	55	30	30
TY Imports (1000 MT)	82	82	55	55	30	30
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	4247	4247	3034	3034	3064	3064
MY Exports (1000 MT)	1085	1085	500	500	600	600
TY Exports (1000 MT)	1028	1028	500	500	600	600
Feed and Residual (1000 MT)	2200	2200	2000	2000	1900	1900
FSI Consumption (1000 MT)	350	350	300	300	350	350
Total Consumption (1000 MT)	2550	2550	2300	2300	2250	2250
Ending Stocks (1000 MT)	612	612	234	234	214	214
Total Distribution (1000 MT)	4247	4247	3034	3034	3064	3064
Yield (MT/HA)	1.3408	1.3408	1.0974	1.0853	1.2727	1.2981

(1000 HA) ,(1000 MT) ,(MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Barley begins in October for all countries. TY 2022/2023 = October 2022 - September 2023

Appendix 1: Kazakhstan Wheat and Wheat Flour Exports 2019-2022

Partner Country	Unit	Year Ending(UOM1: T)			Year to Date		
		2019	2020	2021	09/20-05/21	09/21-05/22	%Δ
_World	T	7,621,527	6,391,867	7,579,636	5,971,531	6,403,163	7.23
Uzbekistan	T	2,721,754	2,724,795	3,446,909	2,776,515	2,534,899	-8.7
Afghanistan	T	1,421,471	1,387,144	1,738,342	1,462,856	1,363,118	-6.82
Tajikistan	T	1,084,221	1,103,345	1,133,786	853,577	724,834	-15.08
Iran	T	4,191	2,302	414,218	194,124	622,706	220.78
China	T	450,129	288,614	319,164	311,133	27,175	-91.27
Russia	T	301,876	363,566	140,350	116,199	71,234	-38.7
Italy	T	205,160	129,972	108,037	77,413	303,552	292.12
Turkmenistan	T	396,142	147,463	70,524	45,583	429,176	841.53
Kyrgyzstan	T	199,325	150,168	67,736	50,265	15,340	-69.48
Turkey	T	198,744	57,844	53,346	27,818	77,581	178.89
Azerbaijan	T	339,033	17,553	34,675	19,529	182,736	835.72
United Kingdom	T	22,420		17,300	13,300	7,000	-47.37
Latvia	T		1,190	8,395		7,051	
Greece	T	30,829		5,582	3,150		-100
Lebanon	T			5,244	5,244		-100
Tunisia	T	26,806		4,393	4,393	5,200	18.37
Georgia	T	100,355	4,118	3,115	2,900	4,811	65.9
Norway	T	23,250	2,500	3,000	3,000	3,000	
Switzerland	T		1,458	1,364	1,231	2,611	112.1
Mongolia	T	310	1,943	1,214	573	245	-57.24
Poland	T	3,647	3,517	1,172	1,172	13,279	1033.02
Belarus	T	2,814	294	726	669	353	-47.23
Moldova	T	1,132	1,052	680	544	357	-34.37
Germany	T	526		220	220	110	-50
Armenia	T	201	140	122	122	69	-43.44
Belgium	T	6,800		21		21	

Source: Trade Data Monitor, LLC

Appendix 2: Kazakhstan Barley Exports 2019-2022

Partner Country	Unit	Year Ending(UOM1: T)			Year to Date		
		2019	2020	2021	07/20-05/21	07/21-05/22	%Δ
_World	T	1,820,615	1,365,572	1,085,109	1,000,304	381,989	-61.81
Iran	T	1,629,563	1,147,686	708,286	657,151	159,202	-75.77
China	T	2,968	78,185	237,519	211,455	75,212	-64.43
Uzbekistan	T	112,506	43,023	60,086	57,335	100,142	74.66
United Arab Emirates	T	9,537	19,400	30,366	30,366		-100
Tajikistan	T	1,438	13,195	27,557	25,684	39,123	52.32
Russia	T	36,197	37,214	6,039	6,039		-100
Israel	T	3,400		5,074	5,074		-100
Afghanistan	T	10,588	4,044	4,049	2,016	3,984	97.62
United Kingdom	T	2,743	4,550	2,470	2,159	979	-54.65
Azerbaijan	T	3,097	5,373	2,374	2,374		-100
Turkmenistan	T	661	547	650	650	804	23.69
Turkey	T		2,840	396		418	
Syria	T			242			
Iraq	T	5,596	1,159				
Belarus	T	2,170	6,950				
Czech Republic	T	85	1,400				
Germany	T						
Kyrgyzstan	T		6			2,124	
Netherlands	T						
Poland	T	65					
United States	T						

Source: Trade Data Monitor, LLC

Attachments:

No Attachments