

**Required Report:** Required - Public Distribution

**Date:** October 24, 2022

**Report Number:** KZ2022-0022

## **Report Name:** Grain and Feed Update

**Country:** Kazakhstan - Republic of

**Post:** Nur-Sultan (Astana)

**Report Category:** Grain and Feed

**Prepared By:** FAS-Astana Staff

**Approved By:** Christopher Bielecki

### **Report Highlights:**

FAS-Astana forecasts no significant change to wheat and barley planted area for marketing year (MY) 2022/2023. After production declined due to hot and dry weather last MY, wheat production in MY 2022/2023 rebounded to an estimated 14.5 million metric tons (MMT). Barley production also recovered to an estimated 3.1 MMT. Traders anticipated Kazakhstan would regain the barley, wheat, and wheat flour export market share that it lost last year due to lower production. Exports for these products are expected to reach multi-year highs on strong production and steady demand from importing countries.

## **General Information**

### *Production outlook*

[The Ministry of Agriculture reported](#) that as of October 10, 2022, harvesting was completed in the major grain producing regions of Akmola, Kostanay, Aktobe, East Kazakhstan, and Karaganda, producing 21.6 MMT of all grains, with average yields at 1.35 tons per hectare. Oilseeds were reported harvested on 1.9 million hectares, or 56 percent of the harvested area, producing 1.5 MMT.

The Ministry noted that yields increased this year due to favorable weather conditions and the appropriate use of fertilizers and herbicides by producers. The Ministry reported that the wheat harvested in MY 2022/2023 was of overall good quality, with as much as 86 percent qualifying as first, second, and third grades suitable for food use and milling.

Precipitation at the end of the vegetation period in the Akmola region made wheat mature unevenly. Farmers noted that insect and animal issues caused wheat loss in some areas. The uneven distribution of rains in the Kostanay region affected yields, which led to divergent yields ranging from 1.0 to 2.0 tons per hectare. Farmers in North Kazakhstan region noted that wild oats (*Avena fatua*) and insects caused some losses as well.

### *Ministry of Agriculture suspended wheat and wheat flour export restrictions*

On September 13, the Ministry of Agriculture order formally suspended wheat and wheat flour export restrictions. This order suspended the previous decree of July 5, 2022, which extended export quotas from June 15 to September 30, 2022. For more information, please, see the FAS GAIN report, [Kazakhstan Suspends Restrictions on Wheat and Wheat Flour Exports](#).

## **WHEAT**

### **Production**

FAS-Astana estimates wheat production in MY 2022/2023 at 14.5 million metric tons (Table 1), which is 23 percent higher from the previous MY, and a 1.5 MMT increase from the prior USDA estimate of 13.0 MMT. FAS-Astana increased the forecast based on government reporting, data showing improved precipitation and weather conditions, and a consensus among wheat producer contacts who expect higher yields. The wheat total area was harvested on 12.8 million hectares, or an estimated 100 percent of the harvested area, producing 16.2 MMT (in weight without cleaning).

### **Consumption and Stocks**

FAS-Astana estimates wheat consumption for MY2022/2023 at 4.8 MMT, on par with USDA's official number (Table 1).

## Trade

Russia's grain production and trade has led to uncertainty in Kazakhstani and the Eurasian Economic Union's (EAEU) grain markets. After Russia's grain export restrictions to the EAEU expired on June 30, 2022, [some Kazakhstani grain industry associations asked the government](#) to increase scrutiny of underreported Russian grain imports. Wheat millers reported a slowdown of trade during the normally sluggish summer export season. Exporters worked mainly on fulfilling previously concluded contracts due to the near exhaustion of Kazakhstan's grain export quota. Traders noted experiencing a sales slowdown in July and August while waiting for prices to decrease as the MY2022/2023 crop began to enter the market.

The Ministry of Agriculture's [State Inspection Committee announced](#) plans to cross reference grain trade with Russian counterparts to combat underreported grain trade. A Committee representative noted at a conference that Russian grain imports into Kazakhstan in MY 2021/2022 were estimated to be 1.3 MMT and that in September 2022, they saw "very active" imports by truck at 360,000 MT for two weeks.

The government's [Food Contracting Corporation \(FCC\) announced](#) the procurement prices for domestic wheat, barley, oats, and buckwheat. Wheat with 23-27 percent protein content was priced at \$257 to \$265 per MT with Value Added Tax (VAT). Some farmer groups had previously suggested to set wheat procurement prices around \$257 per MT.

After Kazakhstan lifted restrictions on wheat and wheat flour exports in September, traders increased exports, which reportedly led to rail logistic challenges. Grain and rail transportation companies warned that September shipments could be postponed for one month as the standard shipping speed of 200 kilometers per day on average, dropped to 149 kilometers per day. These delays led to scarce numbers of grain hoppers. Transport representatives expect traffic to normalize after October 15.

Kazakhstan exported 7.4 MMT of wheat and wheat flour in MY 2021/2022 (September-August), a 2 percent decrease from the same period last MY. Uzbekistan, Afghanistan, and Tajikistan remained the top three buyers of Kazakhstani wheat and wheat flour. Exports declined to these three export destinations by volume. Wheat exports to Uzbekistan were reported to be 3.0 MMT, a decrease of 13 percent (Appendix 1) compared to the same period the prior MY. Afghanistan was the second largest importer at 1.6 MMT, a decrease of 8 percent compared to the same period the prior MY. Tajikistan reduced imports to 949,329 MT, a decrease of nearly 16 percent. Iran increased imports to 638,029 MT, a nearly three-fold increase due to dry conditions affecting Iranian production. Turkmenistan also increased imports by nearly six-fold to 474,443 MT due to their poor domestic wheat production outlook. Italy, Azerbaijan, and Turkey increased their wheat and wheat flour imports. Exports to China decreased by 91 percent to 28,600 MT as pandemic-related border restrictions limited most grain exports.

In MY 2022/2023, traders anticipated Kazakhstan would regain the wheat and wheat flour export market share to traditional trading partners that it lost in MY 2021/2022, especially to Uzbekistan and Afghanistan.

Based on these factors, FAS-Astana estimates wheat and wheat flour exports for MY2022/2023 at 9.0 MMT, (Table 1), which is 7 percent higher from the previous MY and 1.0 MMT higher than USDA's official number.

**Table 1. Wheat Production, Supply, and Distribution, October 2022 Estimate**

Wheat Market Year Begins	2020/2021		2021/2022		2022/2023	
	Sep 2020		Sep 2021		Sep 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Kazakhstan</b>						
<b>Area Harvested</b> (1000 HA)	12057	12057	12719	12719	12750	12800
<b>Beginning Stocks</b> (1000 MT)	663	663	1475	1475	1489	1489
<b>Production</b> (1000 MT)	14256	14256	11814	11814	13000	14500
<b>MY Imports</b> (1000 MT)	1000	1000	2500	2500	1000	1300
<b>TY Imports</b> (1000 MT)	1000	1000	2500	2500	1000	1300
<b>TY Imp. from U.S.</b> (1000 MT)	0	0	0	0	0	0
<b>Total Supply</b> (1000 MT)	15919	15919	15789	15789	15489	17289
<b>MY Exports</b> (1000 MT)	8194	8194	8200	8200	8000	9000
<b>TY Exports</b> (1000 MT)	8128	8128	8455	8455	8000	9000
<b>Feed and Residual</b> (1000 MT)	1450	1450	1300	1300	1300	1300
<b>FSI Consumption</b> (1000 MT)	4800	4800	4800	4800	4800	4800
<b>Total Consumption</b> (1000 MT)	6250	6250	6100	6100	6100	6100
<b>Ending Stocks</b> (1000 MT)	1475	1475	1489	1489	1389	2189
<b>Total Distribution</b> (1000 MT)	15919	15919	15789	15789	15489	17289
<b>Yield</b> (MT/HA)	1.1824	1.1824	0.9288	0.9288	1.0196	1.1328
(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-Astana expects no significant change to planting area for barley in MY 2022/2023 compared to the prior MY. FAS-Astana estimates barley production in MY 2022/2023 at 3.1 MMT, an increase of 30 percent from MY 2021/2022 and 400,000 MT higher from USDA's official estimate (Table 2). Similar to the increase in wheat production, FAS-Astana bases this forecast on official government reporting, data showing improved precipitation and weather conditions, and a consensus among barley producer contacts who expect higher yields.

### Consumption and Stocks

Barley consumption, which is mainly used for feed, is estimated at 1.9 MMT in MY 2022/2023, on par with USDA's official number.

### Trade

In MY 2022/2023, barley exports are estimated to be 1.0 MMT, a doubling from last year's export volume, and 400,000 MT higher from the USDA's official estimate (Table 2). This expected increase in exports is due to higher production, and trader expectations that they will regain market share to Iran, Uzbekistan, and China in MY 2022/2023.

The FCC announced the procurement price of domestic barley at \$202 per MT with VAT.

Kazakhstan exported 426,638 MT of barley in MY 2021/2022 (July-June), a decrease of 61 percent from the same period last MY due to smaller barley production (Appendix 2). Since the beginning of 2021/2022 MY (July-June), Iran had been the top importer of barley at 193,581 MT, although still a 73 percent decrease from the same period last MY. This decrease is attributable to lower Kazakhstani production and Iran buyers shifting to lower priced Russian barley. Uzbekistan continued to increase barley imports, reaching 100,465 MT or a 67 percent increase from last year, as the country increases its livestock production. China was the third largest importer of barley at 84,183 MT, a 64 percent decrease from last year. Traders are concerned that China will continue to restrict barley imports though border quarantine measures.

**Table 2. Barley Production, Supply, and Distribution, October 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	2150	2200
Beginning Stocks (1000 MT)	505	505	612	612	307	307
Production (1000 MT)	3659	3659	2367	2367	2700	3100

<b>MY Imports</b> (1000 MT)	83	83	55	55	30	150
<b>TY Imports</b> (1000 MT)	82	82	55	55	30	150
<b>TY Imp. from U.S.</b> (1000 MT)	0	0	0	0	0	0
<b>Total Supply</b> (1000 MT)	4247	4247	3034	3034	3037	3557
<b>MY Exports</b> (1000 MT)	1085	1085	427	427	600	1000
<b>TY Exports</b> (1000 MT)	1028	1028	450	450	600	1000
<b>Feed and Residual</b> (1000 MT)	2200	2200	2000	2000	1900	1900
<b>FSI Consumption</b> (1000 MT)	350	350	300	300	300	300
<b>Total Consumption</b> (1000 MT)	2550	2550	2300	2300	2200	2200
<b>Ending Stocks</b> (1000 MT)	612	612	307	307	237	357
<b>Total Distribution</b> (1000 MT)	4247	4247	3034	3034	3037	3557
<b>Yield</b> (MT/HA)	1.3408	1.3408	1.0974	1.0853	1.2558	1.4091

(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 2020-2022 (MT)

Partner Country	September - August (UOM1: T)			Market Share(%)			Change 2022/2021	
	2020	2021	2022	2020	2021	2022	Amount	Percent
_World	6,391,867	7,579,636	7,456,980	100	100	100	-122,656	-1.62
Uzbekistan	2,724,795	3,446,909	3,008,210	42.63	45.48	40.34	-438,699	-12.73
Afghanistan	1,387,144	1,738,342	1,592,014	21.7	22.93	21.35	-146,328	-8.42
Tajikistan	1,103,345	1,133,786	949,329	17.26	14.96	12.73	-184,456	-16.27
Iran	2,302	414,218	638,029	0.04	5.47	8.56	223,811	54.03
Turkmenistan	147,463	70,524	474,443	2.31	0.93	6.36	403,919	572.74
Italy	129,972	108,037	303,552	2.03	1.43	4.07	195,515	180.97
Azerbaijan	17,553	34,675	192,430	0.28	0.46	2.58	157,756	454.96
Turkey	57,844	53,346	111,372	0.91	0.7	1.49	58,026	108.77
Russia	363,566	140,350	89,131	5.69	1.85	1.2	-51,219	-36.49
China	288,614	319,164	28,600	4.52	4.21	0.38	-290,563	-91.04
Kyrgyzstan	150,168	67,736	18,409	2.35	0.89	0.25	-49,327	-72.82
Poland	3,517	1,172	13,279	0.06	0.02	0.18	12,107	1033.07
Latvia	1,190	8,395	7,051	0.02	0.11	0.1	-1,344	-16.01
United Kingdom	0	17,300	7,000	0	0.23	0.09	-10,300	-59.54
Tunisia	0	4,393	5,200	0	0.06	0.07	807	18.37
Georgia	4,118	3,115	4,955	0.06	0.04	0.07	1,840	59.06
Malta	0	0	4,877	0	0	0.07	4,877	0
Norway	2,500	3,000	3,000	0.04	0.04	0.04	0	0
Switzerland	1,458	1,364	2,611	0.02	0.02	0.04	1,247	91.45
Finland	1,551	0	1,540	0.02	0	0.02	1,540	0
Mongolia	1,943	1,214	507	0.03	0.02	0.01	-708	-58.27
Belarus	294	726	443	0.01	0.01	0.01	-283	-38.99
Moldova	1,052	680	357	0.02	0.01	0.01	-323	-47.46

Source: Trade Data Monitor, LLC

## Appendix 2: Kazakhstan Barley Exports 2020-2022 (MT)

Partner Country	July - June (UOM1: T)			Market Share(%)			Change 2022/2021	
	2020	2021	2022	2020	2021	2022	Amount	Percent
_World	1,365,572	1,085,109	426,638	100	100	100	-658,471	-60.68
Iran	1,147,686	708,286	193,581	84.04	65.27	45.37	-514,705	-72.67
Uzbekistan	43,023	60,086	100,465	3.15	5.54	23.55	40,379	67.2
China	78,185	237,519	84,183	5.73	21.89	19.73	-153,336	-64.56
Tajikistan	13,195	27,557	39,539	0.97	2.54	9.27	11,982	43.48
Afghanistan	4,044	4,049	4,544	0.3	0.37	1.07	495	12.22
Kyrgyzstan	6	0	2,124	0	0	0.5	2,124	0
United Kingdom	4,550	2,470	979	0.33	0.23	0.23	-1,491	-60.36
Turkmenistan	547	650	804	0.04	0.06	0.19	154	23.74
Turkey	2,840	396	418	0.21	0.04	0.1	22	5.56
Netherlands	0	0	0	0	0	0	0	0
Russia	37,214	6,039	0	2.73	0.56	0	-6,039	-100
Syria	0	242	0	0	0.02	0	-242	-100
United Arab Emirates	19,400	30,366	0	1.42	2.8	0	-30,366	-100
Azerbaijan	5,373	2,374	0	0.39	0.22	0	-2,374	-100
Belarus	6,950	0	0	0.51	0	0	0	0
Czech Republic	1,400	0	0	0.1	0	0	0	0
Iraq	1,159	0	0	0.09	0	0	0	0
Israel	0	5,074	0	0	0.47	0	-5,074	-100

Source: Trade Data Monitor, LLC

### Attachments:

No Attachments