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**Report Name:** Grain and Feed Update

**Country:** Kazakhstan - Republic of

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

**Report Category:** Grain and Feed

**Prepared By:** FAS-Astana staff

**Approved By:** Michael Francom

**Report Highlights:**

According to government information releases and FAS-Astana contacts, spring grain planting was completed in early June and planting conditions were generally favorable, leading FAS-Astana to estimate no significant change to wheat and barley planted area in MY2023/2024. FAS-Astana estimates wheat production in MY 2023/2024 at 14.0 million metric tons (MMT), 1.0 MMT higher than the original forecast of 13.0 MMT. In April 2023, Kazakhstan implemented a six-month ban on wheat imports by road in response to competition from Russia.

## **General Information**

### *Ban on Russian wheat imports by truck*

On April 10, 2023, Kazakhstan imposed a six-month [ban on wheat imports by road](#). The Ministry of Agriculture imposed this ban reportedly to decrease lower-priced Russian wheat imports transported by trucks on public roads. Transporting wheat in this manner can be used to avoid value added taxes. Grain rail imports are not impacted by this ban.

### *Government announced preliminary planting area data*

The Ministry of Agriculture announced that farmers completed spring grain planting in early June. [Grain planted area was reported](#) at 15.6 million hectares and oilseed crops at 3.3 million hectares. Though wheat planted area was not cited, FAS-Astana contacts estimated wheat planted area in MY 2023/2024 at 12.9 million hectares and barley area at 2.35 million hectares, in line from last marketing year.

### *Weather conditions reported to be generally favorable*

Precipitation was reported to be uneven in most of Kazakhstan in the second 10 days of June. [According to the Kazakh Weather Service](#), the largest amount of precipitation fell in the major grain producing regions of North Kazakhstan, in the northern part of Kostanay, Akmola, West Kazakhstan, and Aktobe, while in the rest of the country, precipitation fell below the norm.

At the same time, as of the second 10 days of June, in most major grain producing regions, the soil moisture at one meter depth was optimal. In the west, the “tillering” to “earring” phase was reported on spring wheat crops, the condition of the plants was good, and the height of wheat was reported at 20-43 cm. In the north, damage by bread fleas was noted in spring wheat. Spring barley was observed at the "tillering" to "exit into the tube" stage. The condition was reported mostly good. However, in some areas, due to lack of precipitation and elevated temperatures, there were no reported barley seedlings. In central Kazakhstan, premature drying of spring wheat was observed at 11-20 percent. The condition of spring barley was reported as good. In the east, south, and southeast, the condition of spring wheat was excellent and good. In the north, west, and east, the development phase of sunflower "second pair of leaves" to "the appearance of inflorescences," was reported and the condition of the plants was excellent.

### *Locust outbreaks in the north and east*

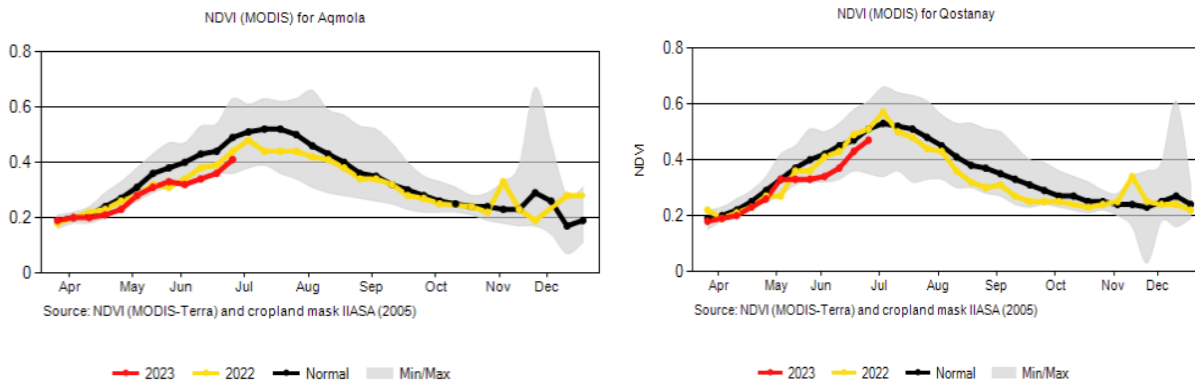
According to the Ministry of Agriculture, [locusts have been spreading](#) in Aktobe, Kostanay, and Abai (Figure 1). Although locust migration stopped in Abai, agricultural authorities created emergency operation centers in all three regions to coordinate anti-locust operations.

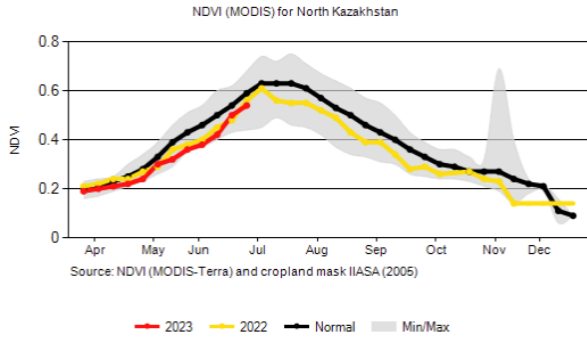
**Figure 1. Map of Kazakhstan with Regions**



Normalized difference vegetation index (NDVI) showed favorable growing conditions. As of early July, the NDVI in Akmola, Kostanay, and North Kazakhstan appeared close to in line to the same period in 2022. The NDVI in all three regions were reported to be below the historical average (Figure 2).

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

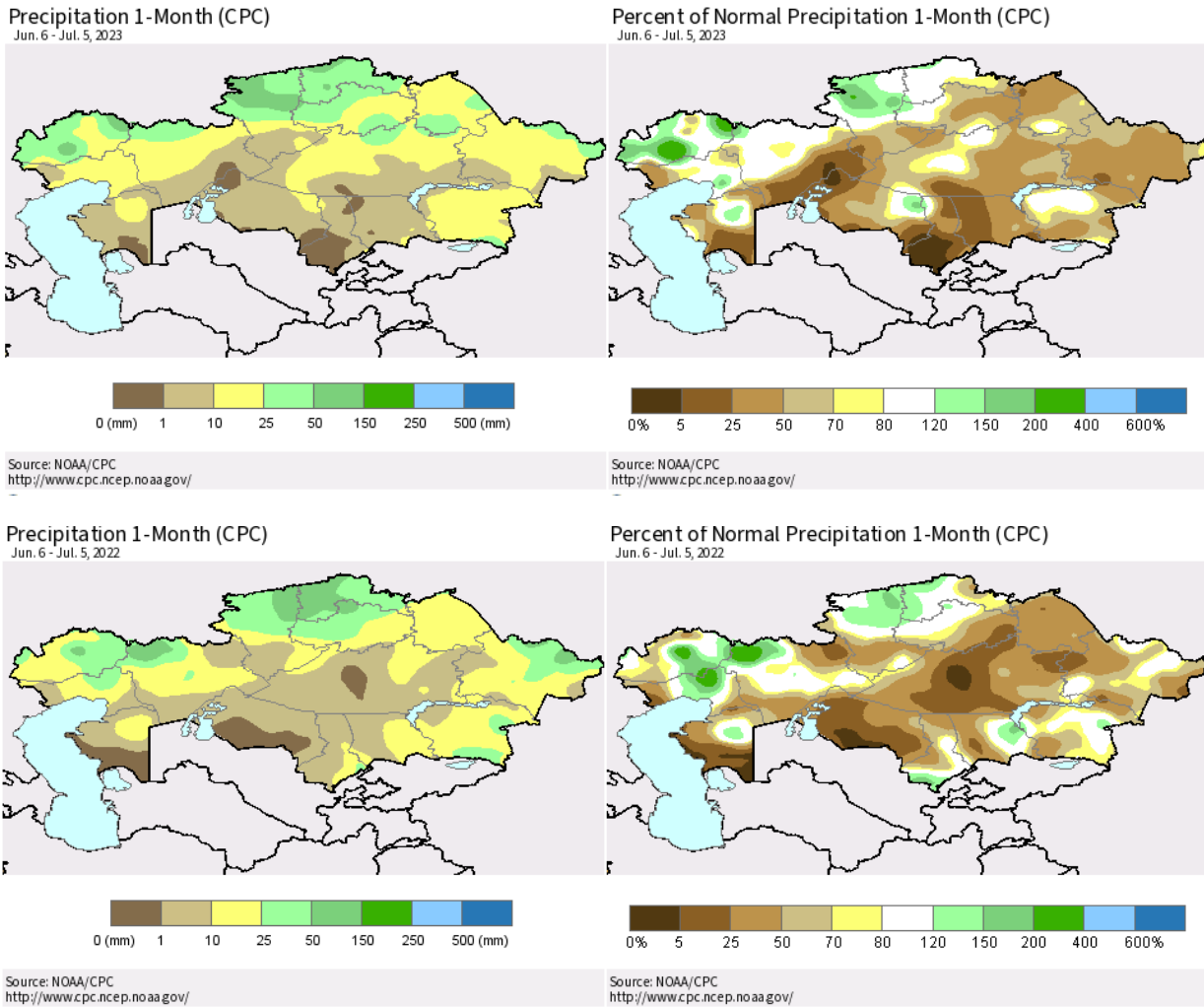




Source: [FAS IPAD Crop Explorer](#)

Compared to the same period in 2022, the three major grain producing regions of Akmola, Kostanay, and North Kazakhstan appeared slightly larger in 2023 (Figure 3).

**Figure 3. Precipitation 1-month and percent of normal, 2022 and 2023**



Source: [FAS IPAD Crop Explorer](#)

## WHEAT

### Production

FAS-Astana estimates wheat production in MY 2023/2024 at 14.0 million metric tons (MMT), 1 MMT higher than the original forecast of 13.0 MMT in April due to better weather conditions between April and July in grain producing areas. MY 2023/2024 wheat planting area is forecast to increase slightly to 12.9 million hectares, 10,000 hectares more compared to MY 2022/2023.

### Consumption and Stocks

According to local analysts, domestic grain consumption was stable, and not expected to increase in the next few years. They reported that grain export restrictions imposed in MY 2021/22 led to higher domestic stocks (see GAIN reports [KZ2022-0009](#), [KZ2022-0014](#), and [KZ2022-0019](#)). Two additional factors leading to higher domestic stocks included under recorded Russian wheat imports and limited rail infrastructure to export grain.

### Trade

FAS-Astana estimates wheat exports in MY 2023/2024 at 9.5 million metric tons (Table 1). Producers and exporters noted that challenges they faced in MY 2022/2023 of limited rail capacity, outdated infrastructure, and delayed Value Added Tax (VAT) reimbursements would continue affecting wheat exports in MY 2023/2024.

#### *Wheat imports from Russia*

[The state revenue authorities exercise control](#) over the import of wheat to prevent violation of the six-month ban imposed in April 2023. Since introducing the ban, the government reported four attempts to import wheat by road with a total volume of 114,500 tons. In order to prevent the circulation of under reported grain, the following measures are being taken:

- the application of minimum prices for grain imports from the Eurasian Economic Union (EAEU) countries is being developed.
- planned use of navigation seals to track the movement of grain.
- a pilot project to refund VAT to grain market participants to eliminate the risk of unauthorized re-export to third countries.

FAS-Astana trader contacts noted that even though the government is enforcing the ban, some wheat imports are entering as declared barley. Additionally, not all border points are equipped with weights to measure incoming trucks, and some manipulations with weights also take place.

#### *Exports to China resume*

Wheat exports to China resumed in 2023 after a two-year hiatus due to China's pandemic restrictions. The first shipment was reported in April with milling wheat from approved grain storages. The Food Contracting Corporation has reportedly [signed contracts](#) with China's state-owned COFCO to supply 75,000 MT of wheat, and 50,000 tons to the private company Alashankou Jinshahe. Negotiations are

reportedly underway with other Chinese companies regarding the shipment of barley, wheat, and flax. [COFCO leadership visited Kazakhstan](#) on July 13 to see local grain storage and shipping processes.

In part to facilitate grain exports to China, the government announced the construction of a third port rail terminal, Bakhty-Tacheng, to complement Dostyk-Alashankou and Altynkol (Figure 4).

**Figure 4. Existing and proposed commercial rail stations with China**



**Table 1. Wheat Production, Supply, and Distribution, July 2023 Estimate**

Wheat Market Year Begins	2021/2022		2022/2023		2023/2024	
	Sep 2021		Sep 2022		Sep 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Kazakhstan</b>						
<b>Area Harvested (1000 HA)</b>	12719	12719	12811	12890	12500	12900
<b>Beginning Stocks (1000 MT)</b>	1475	1475	1491	1491	2995	2995
<b>Production (1000 MT)</b>	11814	11814	16404	16404	14000	14000
<b>MY Imports (1000 MT)</b>	2500	2500	2000	2000	2000	2000
<b>TY Imports (1000 MT)</b>	2500	2500	2000	2000	2000	2000
<b>TY Imp. from U.S. (1000 MT)</b>	0	0	0	0	0	0
<b>Total Supply (1000 MT)</b>	15789	15789	19895	19895	18995	18995
<b>MY Exports (1000 MT)</b>	8098	8098	9500	9500	9500	9500
<b>TY Exports (1000 MT)</b>	8455	8455	9500	9500	9500	9500
<b>Feed and Residual (1000 MT)</b>	1350	1350	2300	2300	1600	1600
<b>FSI Consumption (1000 MT)</b>	4850	4850	5100	5100	5200	5200
<b>Total Consumption (1000 MT)</b>	6200	6200	7400	7400	6800	6800

<b>Ending Stocks</b> (1000 MT)	1491	1491	2995	2995	2695	2695
<b>Total Distribution</b> (1000 MT)	15789	15789	19895	19895	18995	18995
<b>Yield</b> (MT/HA)	0.9288	0.9288	1.2805	1.2726	1.12	1.0853

(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 2023/2024 = July 2023 - June 2024

## BARLEY

### Production

FAS-Astana expects no significant change to planting area for barley in MY 2023/2024 compared to the prior MY. FAS-Astana estimates barley production in MY 2023/2024 to be 3.0 MMT, 9 percent smaller from MY 2022/2023 and on par with USDA's official estimate (Table 2).

### Consumption and Stocks

Barley consumption, which is mainly used for animal feed, is estimated at 2.0 MMT in MY 2023/2024, on par with USDA's official estimate.

### Trade

Kazakh barley competes with Russian barley on the Iranian market. Barley exporters expressed concern that Russian barley exports to Iran may remain strong due to cheaper prices and lower export duties. Traders noted that the market was not active in the spring of 2023 due to low interest from Irani buyers, however some operations were reported with China. The Food Contracting Corporation [was reportedly discussing a contract](#) with China's Gansu Longxing Hulin Trading Co., Ltd to supply 50,000 MT of barley. However, barley exports to China were limited due to lower shipping container availability.

Kazakh barley was most actively exported to Iran, Uzbekistan, and China from July 2022 to April 2023.

FAS-Astana estimates barley exports in MY 2022/2023 at 850,000 MT, due to lower interest from Iran and competition from Russia.

**Table 2. Barley Production, Supply, and Distribution, July 2023**

Barley Market Year Begins	2021/2022		2022/2023		2023/2024	
	Jul 2021		Jul 2022		Jul 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Kazakhstan</b>						
<b>Area Harvested</b> (1000 HA)	2157	2181	2176	2187	2100	2350
<b>Beginning Stocks</b> (1000 MT)	612	612	307	307	344	344
<b>Production</b> (1000 MT)	2367	2367	3287	3287	3000	3000
<b>MY Imports</b> (1000 MT)	55	55	250	250	125	125

<b>TY Imports (1000 MT)</b>	82	55	225	225	125	125
<b>TY Imp. from U.S. (1000 MT)</b>	0	0	0	0	0	0
<b>Total Supply (1000 MT)</b>	3034	3034	3844	3844	3469	3469
<b>MY Exports (1000 MT)</b>	427	427	1000	1000	850	850
<b>TY Exports (1000 MT)</b>	571	450	1000	1000	850	850
<b>Feed and Residual (1000 MT)</b>	2000	2000	2150	2150	2000	2000
<b>FSI Consumption (1000 MT)</b>	300	300	350	350	300	300
<b>Total Consumption (1000 MT)</b>	2300	2300	2500	2500	2300	2300
<b>Ending Stocks (1000 MT)</b>	307	307	344	344	319	319
<b>Total Distribution (1000 MT)</b>	3034	3034	3844	3844	3469	3469
<b>Yield (MT/HA)</b>	1.0974	1.0853	1.5106	1.503	1.4286	1.2766

(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 2023/2024 = October 2023 - September 2024



**Appendix 1: Kazakhstan Wheat and Wheat Flour Exports 2020-2023 (MT)**

Partner Country	Unit	Year Ending(UOM1: T)			Year to Date		
		2020	2021	2022	09/21-04/22	09/22-04/23	%Δ
_World	T	6,391,867	7,579,636	7,456,980	5,962,179	6,919,707	16.06
Uzbekistan	T	2,724,795	3,446,909	3,008,210	2,349,229	3,048,349	29.76
Afghanistan	T	1,387,144	1,738,342	1,592,014	1,261,893	1,771,230	40.36
Tajikistan	T	1,103,345	1,133,786	949,329	651,011	790,824	21.48
Iran	T	2,302	414,218	638,029	609,210	144,333	-76.31
Turkmenistan	T	147,463	70,524	474,443	424,777	256,762	-39.55
Italy	T	129,972	108,037	303,552	274,344	269,521	-1.76
Azerbaijan	T	17,553	34,675	192,430	174,352	265,754	52.42
Turkey	T	57,844	53,346	111,372	66,412	84,698	27.53
Russia	T	363,566	140,350	89,131	63,645	34,908	-45.15
China	T	288,614	319,164	28,600	21,967	106,448	384.58
Kyrgyzstan	T	150,168	67,736	18,409	14,757	15,421	4.5
Poland	T	3,517	1,172	13,279	13,279	11,668	-12.13
Latvia	T	1,190	8,395	7,051	7,051	36,031	411.01
United Kingdom	T	0	17,300	7,000	7,000	0	-100
Tunisia	T	0	4,393	5,200	5,200	62,705	1105.87
Georgia	T	4,118	3,115	4,955	4,692	664	-85.85
Malta	T	0	0	4,877	4,877	0	-100
Norway	T	2,500	3,000	3,000	3,000	7,160	138.67
Switzerland	T	1,458	1,364	2,611	2,611	0	-100
Finland	T	1,551	0	1,540	1,540	0	-100
Mongolia	T	1,943	1,214	507	207	281	35.75
Belarus	T	294	726	443	353	266	-24.65
Moldova	T	1,052	680	357	357	36	-89.92
Israel	T	0	0	136	136	22	-83.82
Germany	T	0	220	119	110	115	4.55
Armenia	T	140	122	89	69	122	76.81
Ukraine	T	14	0	89	22	5	-77.27
Chad	T	0	0	84	0	0	0
Iraq	T	0	0	65	65	1,151	1670.77
Belgium	T	0	21	42	0	378	0
South Korea	T	0	0	12	12	0	-100

Source: Trade Data Monitor, LLC

**Appendix 2: Kazakhstan Barley Exports 2020-2023 (MT)**

Partner Country	Unit	Year Ending(UOM1: T)			Year to Date		
		2020	2021	2022	07/21-04/22	07/22-04/23	%Δ
_World	T	1,365,572	1,085,109	426,638	357,591	940,480	163
Iran	T	1,147,686	708,286	193,581	149,433	403,485	170.01
Uzbekistan	T	43,023	60,086	100,465	99,569	132,527	33.1
China	T	78,185	237,519	84,183	61,224	322,965	427.51
Tajikistan	T	13,195	27,557	39,539	39,055	67,515	72.87
Afghanistan	T	4,044	4,049	4,544	3,984	9,594	140.81
Kyrgyzstan	T	6	0	2,124	2,124	0	-100
United Kingdom	T	4,550	2,470	979	979	0	-100
Turkmenistan	T	547	650	804	804	0	-100
Turkey	T	2,840	396	418	418	154	-63.16
Netherlands	T	0	0	0	0	0	0
Poland	T	0	0	0	0	0	0
Russia	T	37,214	6,039	0	0	348	0
Syria	T	0	242	0	0	110	0
United Arab Emirates	T	19,400	30,366	0	0	0	0
Azerbaijan	T	5,373	2,374	0	0	0	0
Belarus	T	6,950	0	0	0	0	0
Czech Republic	T	1,400	0	0	0	0	0
Germany	T	0	0	0	0	0	0
Iraq	T	1,159	0	0	0	3,780	0
Israel	T	0	5,074	0	0	0	0

Source: Trade Data Monitor, LLC

**Attachments:**

No Attachments