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Report Name: Grain and Feed Update

Country: Kazakhstan - Republic of

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Report Highlights:

Marketing year 2023/2024 wheat production is expected to drop sharply to around three-quarters of last year's level as a result of the June drought and excessive rains in the fall of 2023 that affected Kazakhstan's major grain producing Northern region. This has lowered FAS Astana's production estimate to 12.1 million metric tons for wheat and 2.6 million metric tons for barley. Wheat and barley quality are reported as significantly compromised, leading to a surplus of feed grade grain. While strong competition from Russia and lower milling quality has negatively impacted exports of wheat from Kazakhstan, barley exports have been supported by strong feed demand from new market entrant China.



Snow depth observed in Kostanay region. Source: [EIDLala](#)

General Information

Policy Updates

On February 5, 2024, the Government of Kazakhstan resigned. The new Prime Minister Olzhas Bektenov was appointed the following day. The Ministry of Agriculture was largely unaffected by the cabinet shuffle and existing Minister Aidarbek Saparov retained his position. In 2024, planting and harvesting [will be supported by the government](#) through preferential loans totaling 140 billion (\$304 million) tenge. The loans are at a 5 percent interest rate with a maturity date of March 1, 2025. Additional loans totaling 50 billion (\$108 million) tenge [were extended](#) to support farmers who failed to fulfill their 2023 financial obligations.

The Eurasian Economic Union signed a [free trade agreement with Iran](#). The document was adopted on December 25, 2023, on the sidelines of the Supreme Eurasian Economic Council meeting. The agreement provides duty-free trade for a wide range of goods. The agricultural chapter contains guaranteed duty-free supplies of Kazakh wheat and barley to Iran within the limits of established tariff quotas.

Marketing Year 2023/2024 Government Estimates

On January 31, 2024, the Bureau of National Statistics published the final report of area planted, area harvested, production, and yields for main crops. The Bureau reported a 2 and 11 percent increase to area harvested for wheat and barley respectively in marketing year (MY) 2023/2024 compared to the previous marketing year (Table 1). Area harvested for oilseeds decreased 26 percent in MY 2023/2024 as producers reported continued low domestic prices and lack of export opportunities (Table 1).

The Bureau reported wheat production at 12.11 million metric tons (MMT) in MY 2023/2024, a 26 percent decrease from the prior year due to drought in June and excessive precipitation conditions in fall 2023. Barley production was reported at 2.6 MMT in MY 2023/2024, also a 20 percent decrease from last marketing year (Table 2).

Table 1. Main Crops Area Planted and Harvested

Crop	Area planted, ha		Area harvested, ha	
	MY23/24	MY23/24 to MY22/23, %	MY23/24	MY23/24 to MY22/23, %
WHEAT winter and spring	13,761,072	106.8	13,129,837	102.5
CORN	196,142	103.6	190,376	101.0
BARLEY winter and spring	2,570,499	117.5	2,424,652	111.4
RYE winter and spring	21,581	62.0	21,035	61.4
OAT	216,219	108.8	190,673	96.4
SORGHUM	18,053	90.7	15,614	89.5
RICE	100,091	113.8	100,007	113.8
OILSEEDS	2,813,090	81.3	2,473,631	73.5
COTTON	116,609	92.4	116,599	92.3

Source: [Kazakhstan's Statistical Service Final Report, Jan 31, 2024](#)

Table 2. Main Crops Production and Yields

Crop	Production, tons (weight after cleaning)		Yields, ton/ha	
	MY23/24	MY23/24 to MY22/23, %	MY23/24	MY23/24 to MY22/23, %
WHEAT winter and spring	12,110,912	73.8	0.92	71.9
BARLEY winter and spring	2,613,882	79.5	1.08	71.5
RYE winter and spring	17,839	29.8	0.85	48.9
OAT	149,705	65.4	0.79	68.1
SORGHUM	11,846	63.8	0.76	71.7
RICE	485,183	112.5	4.85	98.8
OILSEEDS	2,183,802	71.6	0.88	96.7

Source: [Kazakhstan's Statistical Service Final Report, Jan 31, 2024](#)

MY 2023/2024 crops quality observation

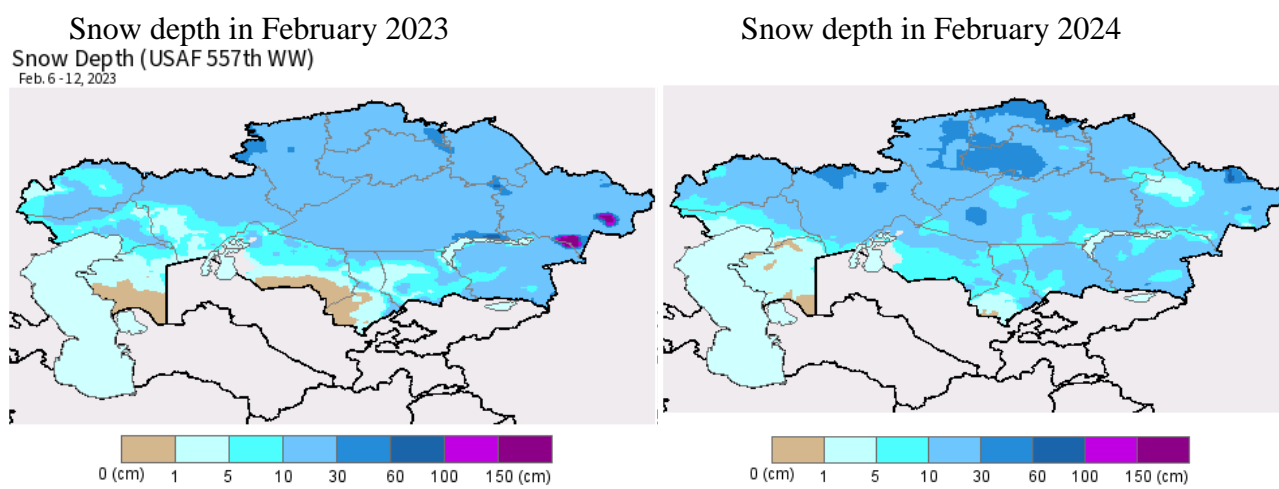
[According to the industry representatives](#), only 21 percent of wheat in Kazakhstan from the current year qualifies as food grade, with 29 percent qualifying as feed grade and half of all wheat tested as non-class. On average, wheat samples contained high levels of protein (14.5 percent or higher) and gluten content (31.5 or higher) but reduced average test weight of 74.3 kilogram per hectolitre (kg/hL) and falling numbers less than 160 seconds. Barley quality was likewise impacted by the weather, with 14.3 percent average protein and 66.1 kg/hL test weight. Testing also resulted in higher than normal presence of mycotoxins and aflatoxins.

Snow Depth Update

The scientific research center in the Kostanay region [reported](#) average snow depth at twice higher than long-term levels, varying from 33 to 37 centimeters (cm). Similar high snow depth of 10-17 cm was reported in the Almaty region and 4-13 cm in the Jetysu region.

According to USDA FAS Crop Explorer data, snow depth in the three northern grain producing regions is bigger in February 2024 than February 2023 (Figure 1). Northern Kazakhstan relies on soil moisture from snowfall to carry crops through the hot summer months because irrigation remains rare.

Figure 1. Snow Depth in February 2023 and February 2024



Source: [USDA FAS Crop Explorer](#)

WHEAT

Production

FAS Astana estimates wheat production in MY 2023/2024 at 12.1 million metric tons (Table 1), a 26 percent decrease from the previous marketing year, and on par with USDA's official estimate. FAS Astana is basing this estimate on available government data, interviews, and industry analysis, with weather conditions and harvest issues widely reported. Wheat yields in MY 2023/24 are estimated at 0.9 tons per hectare, a 28 percent decrease from the previous Marketing year.

Consumption and Stocks

FAS-Astana estimates wheat consumption for MY2023/2024 at 4.95 million metric tons, on par with USDA's official number (Table 1).

Trade

Grain Imports from Russia

In response to low priced exports from Russia, Kazakhstan has in place restrictions on all wheat imports except by rail until April 2024. As of February 5, 2024, the [list of eligible enterprises](#) for wheat imports included 69 poultry farms, 211 wheat processors and mills, and 194 grain elevators. For more information, please, refer to the [Kazakhstan Grain and Feed Update Report KZ2023-0014](#).

Rail Transit Tariffs

Kazakhstan and Russia [discussed the rail transit tariff](#) in both territories. Kazakhstan is interested in promoting coal and iron ore shipments to Europe, while Russia is interested in favorable rail transit tariffs for grain shipments. Both sides requested transit tariffs be lowered. Kazakhstan industry is concerned that lower transit tariffs for Russian exports would result in lost market share for Kazakh exporters in Central Asia and exacerbate their price disadvantage versus Russian grains.

Government Procurement of Non-class Wheat

The Food Contracting Corporation [announced supporting farmers](#) in procuring non-class wheat with 50 percent germination at 50,000 (\$112) tenge per ton. The Government of Kazakhstan supports farmer through the Food Contracting Corporation and hopes this supplemental income will assist with planting preparations for the coming year.

Exports to Central Asia and China

From September to November in MY 2023/2024, Kazakhstan exported 2.1 million metric tons of wheat and wheat flour in, a 20 percent decrease from the same period last marketing year. Uzbekistan, Afghanistan, and Tajikistan remained the top three buyers of Kazakhstani wheat and wheat flour. Wheat exports to Uzbekistan were reported at 926,000 MT, a decrease of 18 percent (Appendix 1) compared to the same period the prior marketing year. Afghanistan was the second largest importer at 475,000 MT, a decrease of 38 percent. Tajikistan imported 304,000 MT, also a decrease of nearly 22 percent. Meanwhile exports to China are reported at 134,000 MT, a fourteen-fold increase from the same period last year. Traders note that this increase is attributable to Chinese buyers' interest in importing feed quality wheat from Kazakhstan.

Based on lower wheat production and strong demand from China, FAS-Astana estimates wheat and wheat flour exports for MY2023/2024 to be 10 MMT, (Table 1), which is a 0.5 MMT increase from the previous MY and on par with USDA's official estimate.

Table 1. Wheat Production, Supply, and Distribution, February 2024 Estimate

Wheat Market Year Begins Kazakhstan	2021/2022		2022/2023		2023/2024	
	Sep 2021		Sep 2022		Sep 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	12719	12719	12811	12890	13130	13130
Beginning Stocks (1000 MT)	1475	1475	1491	1491	3271	3095
Production (1000 MT)	11814	11814	16404	16404	12111	12111
MY Imports (1000 MT)	2500	2500	3000	3100	2000	2200
TY Imports (1000 MT)	2500	2500	3100	3100	2000	2200
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	15789	15789	20895	20995	17382	17406
MY Exports (1000 MT)	8098	8098	10874	10500	10000	10000
TY Exports (1000 MT)	8455	8455	9862	10500	10000	10000
Feed and Residual (1000 MT)	1350	1350	1800	2300	1000	1000
FSI Consumption (1000 MT)	4850	4850	4950	5100	4950	4950
Total Consumption (1000 MT)	6200	6200	6750	7400	5950	5950
Ending Stocks (1000 MT)	1491	1491	3271	3095	1432	1456
Total Distribution (1000 MT)	15789	15789	20895	20995	17382	17406
Yield (MT/HA)	0.9288	0.9288	1.2805	1.2726	0.9224	0.9224
(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

No significant change is expected to planting area for barley in MY 2022/2023 compared to the prior year. FAS Astana estimates barley production in MY 2023/2024 to be 2.6 MMT, a decrease of 21 percent from MY 2022/2023 and on par with the USDA's official estimate (Table 2). This analysis is based on observations from government data, industry, and widely reported production issues related to adverse weather. Many barley farmers note that they will keep planting barley in the upcoming season since barley remains in strong demand from the domestic feeding industry, but barley planting intentions could be challenged by a shortage of available barley seeds on the market.

Consumption and Stocks

Barley is mainly consumed in animal feed and is estimated at 1.7 MMT in MY 2023/2024, 150,000 MT higher than USDA's official estimate.

Trade

In MY 2023/2024, FAS-Astana estimates barley exports to be 1 million metric tons, 125,000 MT higher than USDA's official estimate (Table 2). This estimated is based on competitive export prices and trader expectations of steady demand from China.

Higher production led to higher exports, with July to November MY 2023/2024 exports at 657,000 MT, a nearly 50 percent increase over the same time last year (Appendix 2). Since the beginning of the marketing year, China has risen to be the top importer of Kazakh barley for the first time. At 534,220 MT, Chinese imports increased by nearly four-fold from the same period last year. This increase is attributable to strong demand for animal feed and comparatively favorable pricing of Kazakhstani barley to China versus other origins. Uzbekistan became the second largest importer of barley at 72,801 MT. At the same time, Iran fell significantly as an importer to as little as 14,000 tons, a 93 percent drop. Traders note that Iran continues to shift to Russian barley.

Table 2. Barley Production, Supply, and Distribution, February 2024

Barley Market Year Begins	2021/2022		2022/2023		2023/2024	
	Jul 2021		Jul 2022		Jul 2023	
Kazakhstan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	2157	2181	2176	2187	2425	2350
Beginning Stocks (1000 MT)	612	612	313	307	413	351
Production (1000 MT)	2367	2367	3287	3287	2614	2614
MY Imports (1000 MT)	61	55	376	332	375	375
TY Imports (1000 MT)	91	55	429	400	250	250
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	3040	3034	3976	3926	3402	3340
MY Exports (1000 MT)	427	427	1113	1125	950	1000
TY Exports (1000 MT)	563	450	1253	1000	950	1000
Feed and Residual (1000 MT)	2000	2000	2100	2100	1850	1700
FSI Consumption (1000 MT)	300	300	350	350	300	300
Total Consumption (1000 MT)	2300	2300	2450	2450	2150	2000
Ending Stocks (1000 MT)	313	307	413	351	302	340
Total Distribution (1000 MT)	3040	3034	3976	3926	3402	3340
Yield (MT/HA)	1.0974	1.0853	1.5106	1.503	1.0779	1.1123

Table 2. Barley Production, Supply, and Distribution, February 2024 Cont'd.

(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 2021-2023 (MT)

Partner Country	Rank	Unit	Year Ending(UOM1: T)			Year to Date		
			2021	2022	2023	09/22-11/22	09/23-11/23	%Δ
World		T	7,579,636	7,469,615	10,094,172	2,683,720	2,140,823	-20.23
Uzbekistan	1	T	3,446,909	3,006,901	4,444,912	1,131,397	926,812	-18.08
Afghanistan	2	T	1,738,342	1,587,600	2,103,590	761,421	475,359	-37.57
Tajikistan	3	T	1,133,786	947,481	1,160,926	393,183	304,579	-22.54
Turkmenistan	4	T	70,524	474,388	589,625	96,887	117,714	21.5
Italy	5	T	108,037	295,239	449,623	43,360	119,331	175.21
China	6	T	319,164	28,600	425,773	9,440	134,744	1327.37
Azerbaijan	7	T	34,675	192,430	276,213	111,744	2,527	-97.74
Iran	8	T	414,218	630,910	163,429	94,578	7	-99.99
Turkey	9	T	53,346	122,054	155,713	5,667	16,862	197.55
Tunisia	10	T	4,393	0	103,841	0	0	0
Russia	11	T	140,350	111,795	58,321	15,662	11,135	-28.9
Latvia	12	T	8,395	7,051	54,206	8,499	9,369	10.24
Spain	13	T	0	0	30,186	0	0	0
Kyrgyzstan	14	T	67,736	21,303	26,962	6,496	11,570	78.11
Poland	15	T	1,172	13,279	12,484	3,332	0	-100
Sweden	16	T	0	0	10,500	0	0	0
Portugal	17	T	0	0	9,017	0	0	0
Norway	18	T	3,000	3,000	7,160	0	0	0
Greece	19	T	5,582	4,521	3,107	0	4,663	0
Denmark	20	T	0	0	3,000	0	2,700	0
Belgium	21	T	21	42	1,778	273	2,730	900
Iraq	22	T	0	65	1,151	1,151	204	-82.28
Georgia	23	T	3,115	4,955	860	352	177	-49.72
Netherlands	24	T	0	0	430	0	0	0
Belarus	25	T	726	577	417	79	130	64.56
Mongolia	26	T	1,214	507	350	112	48	-57.14
Germany	27	T	220	119	225	6	9	50
Armenia	28	T	122	89	142	0	77	0
Lithuania	29	T	0	0	97	26	13	-50

Source: Trade Data Monitor, LLC

Appendix 2: Kazakhstan Barley Exports 2021-2023 (MT)

Partner Country	Rank	Unit	Year Ending(UOM1: T)			Year to Date		
			2021	2022	2023	07/22-11/22	07/23-11/23	%Δ
World		T	1,085,109	420,813	1,112,775	451,390	657,175	45.59
Iran	1	T	708,286	189,404	436,327	227,363	14,454	-93.64
China	2	T	237,519	82,621	426,811	120,178	534,220	344.52
Uzbekistan	3	T	60,086	100,329	160,409	61,151	72,801	19.05
Tajikistan	4	T	27,557	39,539	70,370	32,019	25,000	-21.92
Afghanistan	5	T	4,049	4,544	11,821	6,745	9,144	35.57
Iraq	6	T	0	0	3,780	3,780	0	-100
Russia	7	T	6,039	0	2,667	0	984	0
Oman	8	T	0	0	257	0	256	0
Turkey	9	T	396	418	154	154	0	-100
Syria	10	T	242	0	110	0	0	0
Pakistan	11	T	0	0	68	0	69	0
Poland	12	T	0	0	0	0	0	0
Czech Republic	13	T	0	0	0	0	0	0
Turkmenistan	14	T	650	804	0	0	0	0
United Kingdom	15	T	2,470	979	0	0	0	0
Israel	16	T	5,074	0	0	0	0	0
Kyrgyzstan	17	T	0	2,174	0	0	246	0
Netherlands	18	T	0	0	0	0	0	0
United Arab Emirates	19	T	30,366	0	0	0	0	0
Azerbaijan	20	T	2,374	0	0	0	0	0
Belarus	21	T	0	0	0	0	0	0

Source: Trade Data Monitor, LLC



Office of Agricultural Affairs, Central Asia

<https://fas.usda.gov/regions/kazakhstan>

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