

Voluntary Report – Voluntary - Public Distribution

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Report Name: Kazakhstan Announces Wheat and Wheat Flour Export Restrictions until June 15

Country: Kazakhstan - Republic of

Post: Nur-Sultan (Astana)

Report Category: Agricultural Situation, Grain and Feed, Policy and Program Announcements

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Report Highlights:

On April 14, the Ministry of Agriculture approved the “Regarding export of certain goods from the territory of the Republic of Kazakhstan” decree outlining wheat and wheat flour export restrictions valid until June 15, 2022. During this time, the government will allow grain traders to collectively export up to 1.0 million metric tons (MMT) of wheat and 300,000 metric tons (MT) of wheat flour from Kazakhstan. These amounts are approximately in line with historic monthly Kazakhstani wheat and wheat flour exports in April to June over the past five years. This report provides a summary of the announcement, FAS-Nur-Sultan comments, and an English translation of the government decree and related documents.

Summary

On April 14, the Ministry of Agriculture approved wheat and wheat flour export restrictions, valid until June 15, 2022. During these two months, the government will allow grain traders in Kazakhstan to collectively export up to 1.0 MMT of wheat and 300,000 MT of wheat flour. In addition, traders are expected to be required to sell 10 percent of the exported volume to the domestic market at a fixed price. The Ministry of Agriculture noted that these trade restrictions were meant to balance wheat and wheat flour exports with domestic food security needs. According to the decree, each eligible applicant could export up to 50,000 MT of wheat and 15,000 MT of wheat flour. To administer the export restrictions, the Ministry announced it would regularly publish the domestic purchase price for the products listed in the decree, the list of domestic receiving enterprises, and updates on allocated and available export quotas. On April 20, one industry media outlet [published the first update of this information](#). The Ministry noted that the export restrictions may be extended or canceled depending on market signals and spring planting outcomes.

FAS-Nur-Sultan Comments

According to discussions with contacts and industry publications, many viewed the export restrictions as not overly burdensome to the grain industry compared to other potential scenarios that were discussed by the government and industry representatives. The Ministry of Agriculture set the quota amounts approximately in line with historic monthly Kazakhstani wheat and wheat flour exports. However, some grain traders voiced concerns that these restrictions would force them to renegotiate already signed contracts. Since Russia's further invasion of Ukraine, the price of wheat in Kazakhstan increased from approximately \$268 (120,000 tenge) per MT to \$358 (160,000 tenge) per MT. Many flour mill representatives expressed concern about the export restrictions, the high price of domestic wheat, and the lack of Russian wheat imports. Of the estimated 170 flour mills in Kazakhstan, only an estimated 120 are operating due to the lack of affordable grain. Many of these mills are expected to cease operations in the next few weeks if domestic wheat prices do not decrease.

Decree Translation

The government decree and related documents in Russian or Kazakh languages [may be accessed here](#). English translations of the decree and related documents are provided as follows:

[BEGIN TRANSLATION]

**Regarding export of certain goods from the
territory of the Republic of Kazakhstan**

In accordance with paragraph 2 of Article 17 and paragraph 3 of Article 18 of the Law of the Republic of Kazakhstan "On Regulation of Trading Activities", **I ORDER:**

1. Approval of:

1) The rules for the distribution of quantitative restrictions (quotas) in accordance with Appendix 1 to this order;

2) The list of goods subject to quantitative restrictions (quotas) in relation to the export thereof from the territory of the Republic of Kazakhstan in accordance to the Appendix 2 to this order.

2. Agrifood markets and agricultural products processing department of the Ministry of Agriculture of the Republic of Kazakhstan, in the manner prescribed by the law, shall ensure:

1) state registration of this order in the Ministry of Justice of the Republic of Kazakhstan;

2) uploading this order on the website of the Ministry of Agriculture of the Republic of Kazakhstan after its official publication.

3. Control over the execution of this order shall be carried out by the Vice Minister of the Republic of Kazakhstan supervising Agriculture.

4. This order comes into force after the day of its first official publication and is valid until June 15, 2022.

Position

Full name

"AGREED"

Ministry of Finance

Republic of Kazakhstan

"AGREED"

Ministry of Trade and Integration
of the Republic of Kazakhstan

Rules for the distribution of quantitative restrictions (quotas)

Chapter 1. General Provisions

1. These Rules for the distribution of quantitative restrictions (quotas) (hereinafter referred to as the Rules) are developed in accordance with paragraph 3 of Article 18 of the Law of the Republic of Kazakhstan "On regulation of trading activities" and determine the procedure for the distribution of quantitative restrictions (quotas).

2. The following terms are used in these Rules:

1) a grain market operator (hereinafter - the operator) - a national company in the area of agricultural industry participating in ensuring food security through the implementation of a stabilization function in the grain market and the authority to manage the reserve stock of grain;

2) participants in foreign trade activities (hereinafter - the applicant) - individuals engaged in foreign trade activities, including those registered as individual entrepreneurs in accordance with the legislation of the Republic of Kazakhstan, and legal entities established in accordance with the legislation of the Republic of Kazakhstan, as well as organizations that are not legal entities;

3) goods - goods specified in the list of goods subject to quantitative export restrictions (quotas) from the territory of the Republic of Kazakhstan in accordance with Appendix 2 to this order;

4) an authorized body - territorial subdivisions of the Committee of the state inspection of the agricultural industry of the Ministry of Agriculture of the Republic of Kazakhstan.

Chapter 2. The procedure for the distribution of quantitative restrictions (quotas)

3. The distribution of quotas for the export of goods from the territory of the Republic of Kazakhstan is carried out in the unified automated system for managing the branches of the agricultural industry "e- Agriculture " (hereinafter - IS EASU) automatically when issuing phytosanitary certificates in accordance with the Rules for the protection of the territory of the Republic of Kazakhstan from quarantine objects and alien species, approved by order of the Minister of Agriculture of the Republic of Kazakhstan dated June 29th, 2015 No. 15-08/590 (registered in the Register of State Registration of Normative Legal Acts No. 12032).

4 . After the introduction of these Rules into the IS EASU a quantitative limit on the volume and quotas by types of goods is formed.

5. Applicants who have sold 10 (ten) percent of the volume of goods declared for export from the territory of the Republic of Kazakhstan at a fixed price are allowed to distribute the quota for the export of goods from the territory of the Republic of Kazakhstan:

soft wheat (*Triticum _ aestivum* L. 3rd class) - to the operator by signing an order for the sale / purchase of a grain receipt in the registration information system for grain receiving enterprises;

wheat flour from soft wheat and spelt wheat (hereinafter - wheat flour) - to social and entrepreneurial corporations (hereinafter - SEC).

6 . On a daily basis the operator sends to the authorized body a list of applicants who have sold 10 (ten) percent of the volume of soft wheat (*Triticum aestivum* L. 3 classes) declared for export from the territory of the Republic of Kazakhstan at a fixed price.

Applicants who have sold to the SEC 10 (ten) percent of the volume of wheat flour declared for export from the territory of the Republic of Kazakhstan at a fixed price shall send a letter from the SEC to the authorized body confirming the fact that the applicant has sold the guaranteed volume of flour.

7 . Fixed prices for goods, the list and addresses of grain enterprises are published on the official website of the Ministry of Agriculture of the Republic of Kazakhstan www.gov.kz (hereinafter referred to as the Internet resource).

8 . The distribution of the volume of the quota for the export of goods from the territory of the Republic of Kazakhstan between the applicants is carried out until the volume of the quota for each type of product is completely exhausted, after that the authorized body refuses to issue a phytosanitary certificate.

9 . For the period of duration of quota, the allowable limit for the export of soft wheat per applicant is 50 (fifty) thousand tons, wheat flour - 15 (fifteen) thousand tons.

10 . On a daily basis the authorized body posts the following information on the Internet resource:

1) the amount of the issued quota for each type of product;

2) the available volume of the quota to be distributed for each type of product.

Annex 2 to the order

The list of goods subject to quantitative export restrictions (quotas) from the territory of the Republic of Kazakhstan are introduced

Code of the Commodity Nomenclature for Foreign Economic Activity of the Eurasian Economic Union	Name of commodity*	Quota, tons	Validity
1001	Wheat and meslin	1,000,000	until June 15, 2022
1101 00 150	Wheat flour made of soft wheat and spelt	300 000	

[END TRANSLATION]

Attachments:

No Attachments.