

Meat products

~190 million hectares
Pasture land in Kazakhstan (2016)

~50%
of consumed poultry meat is imported to Kazakhstan (2016)

The main producers of beef, lamb and horse meat in the RK are peasant farms and personal subsidiary farms.

Indicators of the meat market (2016), thousand tons

Product name	Kazakhstan		China	
	Production	Import	Production	Import
Total	954.3	176.3	84,067	3,065.82
Beef	431	9.5	7,036	601
Pork	94	1.4	56,696	1,646.20
Lamb	149	0.1	2,231	219.9
Goat	20	0.0	2,171	0.1
Horsemeat	108	0.1	2,231	5.9
Poultry meat	153	165.2	13,702	592.7

Organic products

~68 million hectares
Potential of pasture lands in Kazakhstan for the organization of organic livestock.

~14 million hectares
Potential of lands in Kazakhstan for organization of organic crop production.



~ 149 thous. tons
of lamb production in the Republic of Kazakhstan, 2016 year

~ 431 thous. tons
Production of beef in the Republic of Kazakhstan, 2016

~ 108 thous. tons
Production of horse meat in the Republic of Kazakhstan, 2016 year

- In peasant and private subsidiary farms in Kazakhstan, the cattle stock and other livestock species are mainly in pasture, which contributes to the production of meat products on these farms without GMOs.
- The main export destinations for organic products (food and beverages) were countries such as China, Italy, the Netherlands and Spain.

State support – Investment incentives

Preferences under priority investment projects

Implementation of an investment project by sector of economy identified as priority for priority investment projects

Tax preferences
Corporate income tax (up to 10 years)
Land tax (up to 10 years)
Property tax (up to 8 years)

}0%

Implementation of an investment project by a newly created legal entity (24 months before the application date)

Exemption from custom duties
Customs duties 0% up to 5 years on imported:
• major equipment and spare parts to it;
• accessories, raw materials.

Investment volume is not less than 2 million MCI (1 MCI = 2,269 KZT) or 14 mln USD

State in kind grants
Free land, buildings, structures, machinery and equipment, etc.

Preferences under investment projects

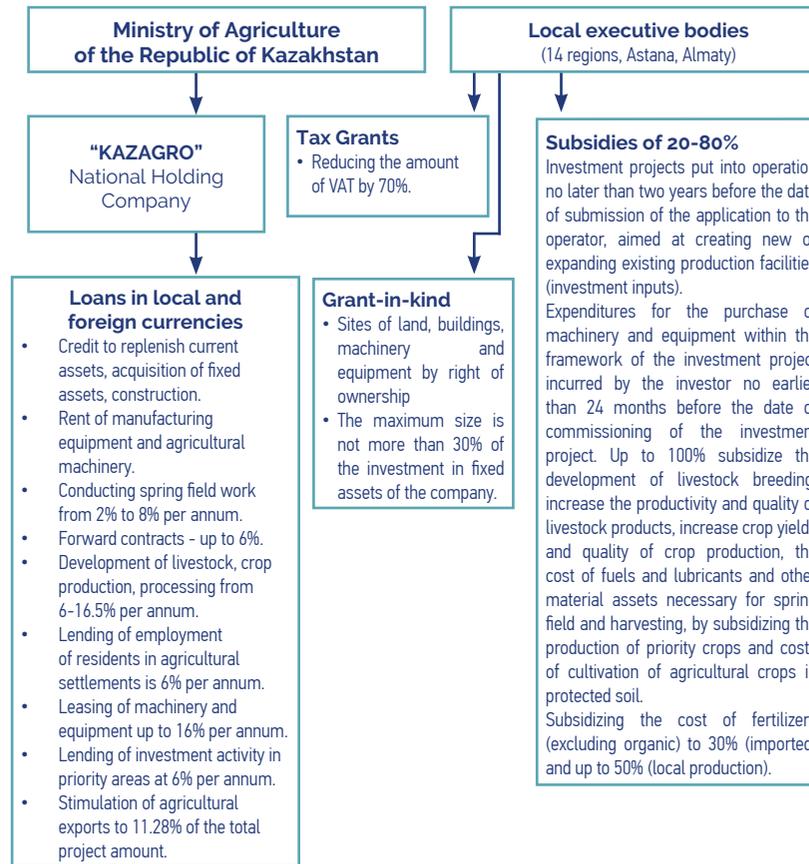
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VAT exemption on import

State support of Agro-industrial complex



KAZAKH INVEST National company

Company functions



"ONE STOP SHOP" for investors in Kazakhstan



INVEST IN KAZAKHSTAN

AGRO-INDUSTRIAL COMPLEX

KAZAKH INVEST

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WHY IS KAZAKHSTAN?



The company "Aytzsyuy" is registered in Shanxi province (the population numbers of the province is 40 million people), the main activity is the food products manufacturing: processing of rice, oil manufacture, production of noodles and tofu, has more than 1200 points of sale. In Kazakhstan, the company implemented an investment project in the North Kazakhstan Region, launching a recycling plant for vegetable oil crop in the village Ilychenka in the Taiynshinsky district. This is a joint Kazakh-Chinese project with a refinery capacity of vegetable oil crop of 300 thousand tons per year. Kazakhstan have partnered with LLP "Tayinsha May". The start of the new manufacture was given by the President of the Republic of Kazakhstan Nursultan Abishevich Nazarbaev during the national teleconference bridge in the framework of the Industrialization Day. The products will be of high quality. And, very importantly, 100% of the plant's products will be exported to China. The plant was built in a short time. The capsule on the site was laid in May 2016. This is the first project of our corporation. Our company plans to implement another 4-5 investment projects in the field of agricultural processing. The implementation of the first project became possible thanks to the support on behalf of the Government of Kazakhstan, the Ministry of Agriculture of the Republic of Kazakhstan and the Akimat of the North Kazakhstan Region. As a foreign investor, I express my gratitude for creating a congenial investment climate in Kazakhstan and supporting foreign investors.

Tszya Hei
Chief Executive Officer
Of the company "Aytzsyuy"



Danone works in more than 120 countries around the world, fulfilling the mission of "bringing health through food products to as many people as possible." In Kazakhstan, we have been present since the early 2000s, and in 2010, seeing the potential of the market; we opened our own factory in the production of fresh dairy products in the Almaty region. We brought to Kazakhstan the highest standards and advanced technologies and are very proud of the fact that these high quality standards are adopted by our local employees and suppliers, and especially by farmers from whom we purchase milk. As a foreign investor, we see the constant efforts of the Government of the Republic of Kazakhstan to improve the conditions for existing investors, by improving the investment climate in the country. Receiving support from JSC "NC" KAZAKH INVEST" and state bodies of the Republic of Kazakhstan for the protection and development of our investments, we, at Danone, look to the future with hope and optimism!

Reno SHAMONAL
Chief Executive Officer
of LLP "Danone-Berkut"

Duty-free access to the EAEU market



182 mln consumers in direct access to the market

Logistic potential



Port infrastructure in other countries:

- Batumi seaport in Georgia;
- Logistics terminal in the Pacific port of Lianyungang.



"Western Europe - Western China" transcontinental automobile corridor

- 14 days from China to Western Europe
- New Silk Road - railway route from China through Kazakhstan to Europe



FDI (2016):

20.6 bln USD

(2006-2016):

235 bln USD

Why are agriculture and food industry in Kazakhstan

- Over **80%** of the land is agriculturally used areas in Kazakhstan.
- The **9th** largest country in the world
- ~20%** of the population is employed in agriculture or food industry
- More than **7%** of the total contribution to the Gross Value Added of the country (2016)
- More than **210 million hectares** agricultural land (2015)



Priority sectors in the agroindustrial complex



- Provision of land resources for pastures and procurement of fodder for livestock.
- The climatic conditions of the country make it possible to produce grain of solid wheat varieties that are in demand on the world market.
- Increase in acreage and yield.
- Creation of forage resources of cattle breeding.
- The emergence of competitive national brands in processing.
- Development of areas of premium and organic food products.
- Geographical proximity to large agricultural markets in South-East Asia and China.
- Growth of exports due to the growing demand in the countries of Asia and Africa.

Milk and dairy products

Access to the necessary resources:

~5,3 Million tons Volume of raw milk production (2016)

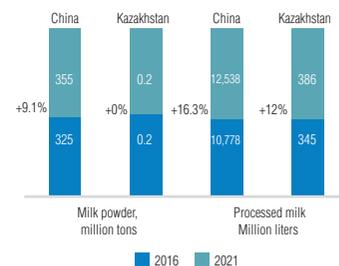
~6% Annual growth in the cow population (2013-16)

Only **~30%** of milk produced in Kazakhstan is processed

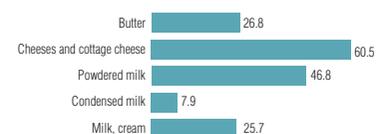
The cost price of raw milk USD per ton in 2015

Kazakhstan: 350
Russian: 337

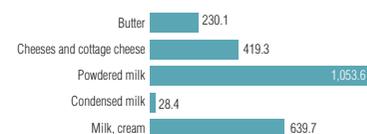
The volume of the milk market 2016-2021



Import by main product categories, 2016, mln USD (Kazakhstan)



Import by main product categories, 2016, mln USD (China)



Fruits and vegetables

- ~0.5 million ha** Sowing lands for fruits and vegetables (2016)
- 1.5 million ha** Irrigated lands available (2015)
- +0.6 million ha** additionally by 2020
- ~1,180 ha** Current area of greenhouses (2016)
- 14 areas** favorable for fruit growing
- More than 10 million tons** of fruits and vegetables produced per year

Cost of production in 2015, (USD per tonne)



Opportunities for the development of greenhouses:

- Expenses for energy are one of the main costs of greenhouses.
- Natural solar energy is one of the lowest-cost sources.
- In Kazakhstan, on average, there are 263 sunny days per year with an average daytime temperature of 25-27 °C in the summer.

The growing market of Kazakhstan. Export potential

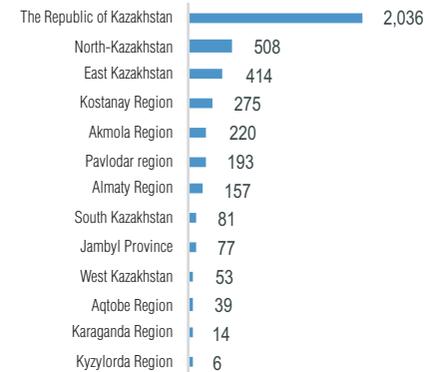
Market	Kazakhstan		China	
	Growth*, %	Imports of 2016 mln USD	Growth*, %	Imports of 2016 mln USD
Tomatoes	6.8	42	1.7	170.3
Apples	4.7	41.6	2.7	123.2
Processed vegetables and fruits	2.2	4.8	7.9	6.6

Note: * Average annual growth in the volume of the market in 2017 - 2021 years

Oil-bearing-crops

- ~1,902.4 thousand tons** Available seed raw materials for 2016 in the Republic of Kazakhstan
- ~2,036 thousand tons** Oilseed area in 2016 in the Republic of Kazakhstan
- ~312 thousand tons** Production of vegetable oil for 2016 in the Republic of Kazakhstan
- ~in 3-fold** increased the total sown area of oilseeds in the Republic of Kazakhstan (2004-2016)

Crop area of oilseeds in 2016, thousand hectares



The advantages of Kazakhstan

- The main export destinations for seeds (especially flax and rapeseed) are China and Western Europe.
- Vegetable oils are imported in significant volumes in the RK (for 2016 it amounted to 137.5 mln USD).
- The price advantage of Kazakhstan allows us to consider the Chinese market, as a potential export direction (in 2016, China imported 34 bln USD of soybeans).

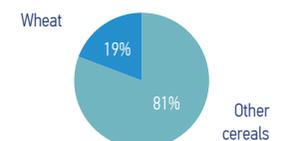
Deep processing of cereals

- ~15 Million tons** Available seeds of wheat in RK (2016)
- ~4 Million tons** Flour production in the Republic of Kazakhstan (2016)
- ~2,175.4 tons** Consumption of GFS in the RK, (2016) ~ 3% CAGR (2017/2021)

Balance of wheat resources thousand tons per year

Production: 16,000-18,000
Export: 7,000-9,000
Consumption: 8,500-8,800

Distribution of cultivated land (15.4 million hectares) in 2016



- The main export markets for Kazakh flour are the Central Asian countries.
- Kazakhstan is a site for both production and consumption of HFSS. Geographical location will reduce transportation costs when exporting these products to Russia and other countries in the region.
- At the moment, there is no local production of HFSS in Kazakhstan.