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MARKET RESEARCH OF MEAT AND MEAT PRODUCTS MARKET IN THE REPUBLIC OF KAZAKHSTAN

This article pays special attention to market assessment of the dynamics of production and consumption of meat and meat products, the increase of export potential of cattle meat, and also to the directions for stimulating agricultural producers to develop meat animal husbandry.

Keywords: market research; meat and meat products market; meat consumption; cattle meat; animal husbandry; agricultural producers.

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МАРКЕТИНГОВІ ДОСЛІДЖЕННЯ РИНКУ М'ЯСА І М'ЯСОПРОДУКТІВ РЕСПУБЛІКИ КАЗАХСТАН

У статті особливу увагу приділено кон'юнктурному оцінюванню динаміки виробництва і споживання м'яса і м'ясопродуктів, аспектам підвищення експортного потенціалу м'яса великої рогатої худоби, а також напрямам стимулювання сільськогосподарських товаровиробників до розвитку м'ясного тваринництва.

Ключові слова: маркетингові дослідження; ринок м'яса і м'ясопродуктів; споживання м'яса; м'ясо великої рогатої худоби; тваринництво; сільськогосподарські виробники.

Табл. 5. Рис. 2. Літ. 12.

Тумар А. Асанова

МАРКЕТИНГОВЫЕ ИССЛЕДОВАНИЯ РЫНКА МЯСА И МЯСОПРОДУКТОВ РЕСПУБЛИКИ КАЗАХСТАН

В статье особое внимание уделено конъюнктурной оценке динамики производства и потребления мяса и мясопродуктов, аспектам повышения экспортного потенциала мяса крупного рогатого скота, а также направлениям стимулирования сельскохозяйственных товаропроизводителей к развитию мясного животноводства.

Ключевые слова: маркетинговые исследования; рынок мяса и мясопродуктов; потребление мяса; мясо крупного рогатого скота; животноводчество; сельскохозяйственные производители.

Problem statement. Animal husbandry development is one of the key priority directions in the agrarian policy of the Republic of Kazakhstan. It is directed at increasing the efficiency of production and volumes of domestic meat, and eventually full internal satisfaction of all domestic demands and gradual displacement of meat and meat products producers from internal markets. In this situation marketing research related to meat and meat products in Kazakhstan is of vital importance.

Recent research and publications analysis. Theoretical and practical aspects of the development of meat and meat products market are described in the works of E. Bitueva and E. Ayusheva (2011), A. Seregin (2003), M. Kuzmichova (2006), E. Mishenin (2011), G. Kalieva (2013), A. Moldashev (2008), M. Sigaryov and L. Turakulova (2008) and many others.

Research objective is an indepth marketing research of the meat and meat products market in the Republic of Kazakhstan.

Key research findings. Meat and meat products are vital products and a source of animal protein which is important for human body functioning (Bitueva and

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Ayusheva, 2011). The development of meat and meat products markets depend largely on the dynamics of the following parameters: livestock number, livestock reproduction, distemper, livestock productivity, meat production, meat and meat products consumption. Kazakhstan has certain favourable conditions for the efficient development of meat subcomplex within the agricultural complex. Among them one could mention the annual growth of the livestock number, the increase in its productivity as well as in the volumes of meat production (Kazagromarketing, 2009). The results of marketing research at the market of meat and meat products demonstrate that the potential elements in the livestock production chain within the meat subcomplex are such sectors as cattle breeding, pig breeding, poultry raising, sheep breeding and horse raising. These subtypes of the sector form the basis for efficient functioning and further development of the meat market. Opportunities for this market formation are related to the availability of natural resource potential along with economic capacity, the already formed regional specialization, the current condition of forage supply and the livestock already present.

Husbandry development is also determined by demand and market environment in the country: the level of the processing industries development; the availability of storage places and places for products realization; by the ability to satisfy potential consumers.

Efficient functioning of the meat subcomplex has a significant social value, since it determines meat supply for population along with the economic potential of rural producers (Sergin, 2003).

Table 1. Dynamics of livestock and poultry number in Kazakhstan, in all types of households and economic entities, 2008–2012, *ths*

Categories	Years					2012 in % to 2008
	2008	2009	2010	2011	2012	
Cattle	5991.6	6095.2	6175.3	5702.4	5690.0	94.9
Pigs	1347.3	1326.3	1344.0	1204.2	1031.6	76.5
Sheep and goats	16770.4	17369.7	17988.1	18091.9	17633.3	105.1
Horses	1370.5	1438.7	1528.3	1607.4	1686.2	123.0
Camels	148.3	155.5	169.6	173.2	164.8	111.1
Poultry	30148.4	32686.5	32780.6	32870.1	33474.8	111.0

Source: constructed by the author on the data from (Rural, forest and fisheries economy of Kazakhstan, 2013).

As it can be seen from Table 1, in Kazakhstan in 2012 as compared to 2008 the horse livestock grew by 23%, camels and poultry – by 11%, sheep and goats – by 5.1%. At the same time, during the period analyzed we observe the decrease in pigs livestock – by 24.6%, cattle – by 5.1% (Rural, forest and fisheries economy of Kazakhstan, 2013).

Cattle breeding in Kazakhstan in general is rather stable, mostly due to imported breeds. Pedigree works on cattle breeding are extremely thorough these days, thus promoting the quality advance in the field.

Increase in the livestock volumes would stimulate the development of domestic trade and in the longer term – would also promote export. Further development of exports in Kazakhstan is possible due to favourable market environment, good natural and climatic conditions, the availability of large grazing lands (more than 180 mln ha), closeness of receptive markets (Regional financial center of Almaty city, 2013).

The growth dynamics of cattle and poultry livestock is not the only indicator for the households of the Republic, there are also big changes in reproduction and productivity. The productivity growth is an important factor for meat production increase. The source for these reproduction processes is getting new live offsprings, and at the same time decreasing cattle losses.

Kazakhstan is still having the small product nature of its agrarian sector, in livestock breeding especially, within which about 80–85% of all product is produced at small private households (Kaliev, 2013). Majority of them do not have enough opportunities to supply themselves with new equipment, and this affects the quality level significantly. In this situation the state is not capable of controlling these processes and their development in general. Animal breeding is suffering a lot from this, since most households cannot contribute to the intensive development of breeding and pedigree. In this situation the state made a decision to create an institute which would regulate the development of this issue. Several changes and amendments into the legislative acts of the Republic of Kazakhstan concerning cattle breeding have been aimed at increasing the efficiency of production and of quality control of all the production processes in the sector (the Law of the Republic of Kazakhstan # 540-IV of 12.01.2012).

Table 2. Cattle reproduction at agricultural enterprises of the Republic of Kazakhstan, 2008–2012

Types	Years					2012 in % to 2008
	2008	2009	2010	2011	2012	
Offsprings from 100 dams, animal units						
Calves	88	87	87	85	84	95.4
Pigs	1382	1428	1433	1391	1280	92.6
Lambs and goatlings	99	98	95	95	96	96.9
Colts	85	83	81	78	75	88.2

Source: constructed by the data from (Rural, forest and fisheries economies of Kazakhstan, 2013).

As it can be seen from Table 2, in terms of quantity of calves per 100 dams there was some decrease observed, and gradually this indicator has become below the normal reproduction rate (no more than 85 animal units). The quantity of pigs per 100 breeding sows decreased by 2.6%, lambs and goatlings – by 6.9%, colts – by 8.2%.

Table 3. Mortality rates of cattle and poultry in Kazakhstan, 2008–2012, *ths animal units*

Groups	Years					2012 in % to 2008
	2008	2009	2010	2011	2012	
Cattle	20.7	19.3	39.0	19.7	19.3	93.2
Pigs	86.6	98.8	91.8	85.5	71.7	82.7
Sheep and goats	129.0	110.2	244.8	109.7	122.9	95.2
Horses	6.2	6.2	14.0	6.9	6.6	106.4

Source: constructed by the data from (Rural, forestry and fisheries economy of Kazakhstan, 2013).

Table 3 shows that in 2012 there was some decrease in the mortality rates for all categories, but for sheep and goats. High rates of diseases and mortality of animals are partially caused by the decreased level of vet services, cases of pearl disease and Mediterranean fever have become more frequent too.

Another important issue here is the small volume of animal husbandry. Small scale makes production extremely difficult, and breeding – nearly impossible. In

Kazakhstan less than 5% of all livestock is high-bred. And even considering the programs of state support and import of some breeds, it will take years to change the situation for better. Outbred livestock can not give high-quality product, and thus national competitiveness in the field is questioned. At the same time, a good for competitiveness parameter is the daily weight gain at offspring feeding, which on average is 1.5–2 kg per day. This is significantly higher than in many other countries. However, in 2012 in Kazakhstan one cow on average gave 2219 kg of milk, and cows average dails weight gain was only 400 grams (Regional financial center of Almaty, 2013: 15).

A large share of animal husbandry production belong to private rural houholds. This leads to low productivity, high prime costs and competitiveness decrease. Thus, even the growing demands of the internal market are not fully satisfied and there are little ways to reduce the dependence on import. The major producers are still small private entities which handle 82.4% of all cattle, 70.2% of all sheep and goats, 78.6% of pigs, 72% of horses and 47.6% of poultry. The national indicator of animal husbandry productivity is several times lower than the average international ones (Programme on the development..., 2013).

Table 4. Productivity of cattle and poultry at agricultural enterprises of the Republic of Kazakhstan

Indicators	Years					2012 in % to 2008
	2008	2009	2010	2011	2012	
Average milk yield from one cow, kg	2253	2233	2255	2211	2219	98.4
Average live weight of 1 animal unit, slaughtered in a household or sold for slaughter, kg:						
- cattle	303	300	299	301	310	102.3
- pigs	93	94	94	96	98	105.3
- sheep and goats	38	37	37	37	38	100.0
Average wool clip from one sheep, kg	2.9	2.8	2.8	2.5	2.4	82.7
Average egg yield from one layer, pcs	208	217	215	214	213	102.4

Source: constructed by the data from (Rural, forestry and fishery entities of Kazakhstan, 2013).

An important indicator in meat production evaluation is the level of productivity. The average weight of cattle grew by 2.3% during 2008–2012, the same indicator for pigs was 5.3%, and the average weight for sheep and goats remained unchanged.

The key reasons for low productivity of Kazakhstan's animal husbandry are: little share of high-quality breeds (for meat cattle, for example, it is no more than 2.5%), the deficit of high-quality feed and bad housing conditions.

For example, there is a good quality meat breed – Kazakh White-headed. However, this national breed is gradually regressing. Its current amount is 76 ths animal units, and its genetic potential is getting worse. Since the largest share of the total national livestock belongs to private households, the key features of the sector are low genetic potential and low productivity along with nearly zero application of the recent technological achievements in the field. Besides, in many cases feeding stuff is of low quality and health of animals is often neglected. The potential of available huge grazing lands is not fully used because there are not many places there available with drinking water for herds (Programme on the development..., 2013: 18).

In this situation livestock import from other countries should be focused on purely breeding matters, not mass consumption, since import is able to improve the

livestock potential quality. Moreover, when importing animals many factors are to be considered in advance: climatic conditions of Kazakhstan and their suitability for particular breeds, feeding types availability needed for new breeds, availability of specific veterinary support required by new breeds etc.

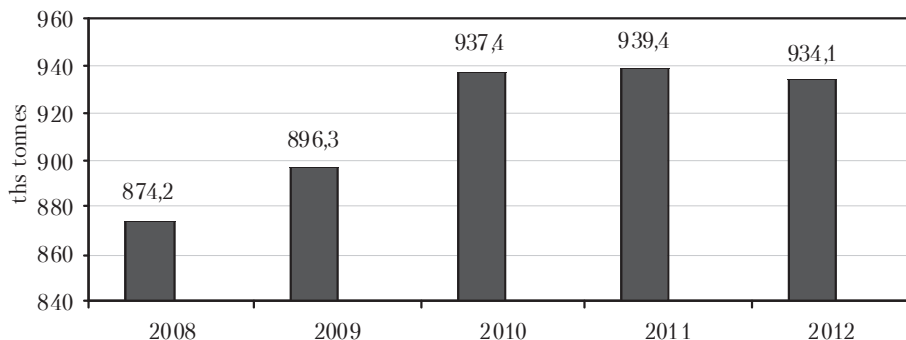


Figure 1. Meat production dynamics in Kazakhstan, 2008–2012, constructed by the data from (Rural, forestry and fisheries economy of Kazakhstan, 2013)

In 2012 Kazakhstan produced around 934.1 ths tonnes of meat, including 674.7 ths tonnes in private households, that is 72.2% of the total amount. 154.3 ths tonnes of meat more were produced at agricultural enterprises, and this comprises only 16.5% of the total production. 105.1 ths tonnes of meat (or 11.3%) were produced by farmers.

Table 5. The structure of meat production in Kazakhstan by types of livestock, %

Types	Years				
	2008	2009	2010	2011	2012
The total of all types of meat and poultry:	100.0	100.0	100.0	100.0	100.0
- beef and veal	45.8	44.2	43.4	41.8	40.1
- lamb and goat	15.0	15.1	15.2	15.9	16.5
- pork	23.6	23.3	22.0	22.7	20.6
- poultry	7.4	8.9	11.0	10.9	13.2
- other	8.2	8.5	8.4	8.7	9.7

Source: constructed by the data from (Rural, forestry and fisheries economy of Kazakhstan, 2013).

Table 5 clearly demonstrates that in the structure of meat production in Kazakhstan beef and veal prevail (40.1%), followed by lamb and goat – 16.5%; then pork with 20.6% and poultry with 13.2%; the share of other types of meat is 9.7%.

Figure 2 shows the growing trend in the dynamics of meat and meat products consumption in Kazakhstan, calculated per capita. In 2012 the per capita meat consumption in the country reached 76 kg, while the established national normative standard is 48 kg. This indicator is significantly higher than the world average meat and meat products consumption (41.2 kg), but still, the optimal biological norm of annual meat consumption is considered to be 80 kg, needed for not only keeping vital functions, but for active body development and the ability to carry physical and mental loads.

Meat and meat products belong to the group of mass consumption commodities, along with dairy products, vegetables and fruits. These products are consumed by the representatives of nearly all social groups (Mishenina, 2011).

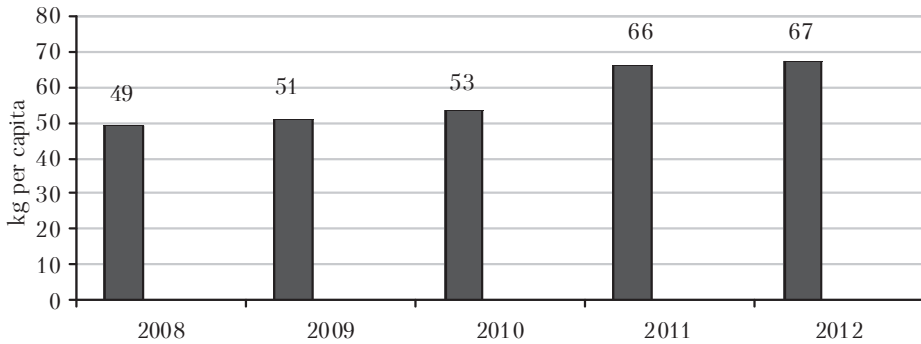


Figure 2. The dynamics of meat and meat products consumption in Kazakhstan, constructed by the data from (Rural, forestry and fisheries economy of Kazakhstan, 2013)

Prices for these products have the tendency to grow along with the sector development. This is caused not only by the processes of meat realization but also by the increase of the general welfare level. To cover the expenses on agricultural works entrepreneurs have to increase prices. As of today meat prices are not the highest in the last decade, since the price peaks belonged to 2000–2001 and 2007–2008.

And even though meat prices in Kazakhstan are growing all the time, the general consumption volume does not decrease. State official statistics shows that this indicator went up right after the crisis: for example, in 2012 the consumption of meat and meat products per capita was on average around 67 kg; this is 18 kg (and 36.7%) more than the same indicator in 2008, that is before the crisis.

All animal husbandry subsectors need more state support and regulation of their production activities. To the key direction in state regulation of this sector operations belong: direct state support; pricing policies; favourable conditions for lending; government subsidies; levelling the disparity of prices between the animal husbandry sector and other sectors of the economy; improvement of leasing conditions; additional sources of support being developed within cooperation between state and business (Kuzmichyova, 2006).

Today state support is of vital importance for the development of animal husbandry of Kazakhstan. The experience of developed countries shows that agricultural sector is not able for successful development under market conditions without significant support on the side of state (Sigarev & Turakulova, 2008).

Despite rather unequal natural conditions of Kazakhstan's regions, the country still has significant volumes of agricultural products and is participating in the global agricultural trade. At the same time maintaining the product independence of the country is almost impossible without active government participation (Moldashev, 2008).

From all of the above we can come to the following **conclusions**:

As a result of the conducted marketing research at the market of meat and meat products in Kazakhstan we can resume:

- The market of meat and meat products is the platform for economic relations of agricultural producers, meat processing enterprises, enterprise selling meat and meat products and consumers of these commodities.

- The following development trends are observed in the livestock dynamics of animals and poultry in Kazakhstan for all types of economic entities during the period under study. During 1990–1999 there was a decrease in livestock volumes, and from 1999 and further we can observe the positive dynamics. In 2012 in Kazakhstan there were: 5690.0 ths animal units of cattle; 17633.3 ths animal units of sheep and goats; 1031.6 ths animal units of pigs; 33474.8 ths of poultry units; 1686.2 ths animal units of horses and 164.8 ths animal units of camels.

- The dynamics of reproduction and productivity has been changing following the growth dynamics. Productivity growth is an important factor for the increase of meat production. The source of all reproduction processes in this field is the live animal yield, the additional source is decreasing the mortality rate. In terms of the rate of calves quantity per 100 dams we can observe a certain decrease, and this rate is significantly lower than the rate of normal reproduction rate (85 animals units). In 2012 there was also a very severe mortality of cattle in the country. High rates are still observed as for animal diseases, often mortal cases are caused by the absence of veterinary support. Bovine tuberculosis and Mediterranean fever are frequent causes for mass diseases of the country's livestock.

- The most important indicator in the sector under study is the productivity level. The major reason for comparatively low productivity in Kazakhstan in general is the small share of breded livestock (e.g., for cattle this share is below 2.5%). Other reasons include the deficit of high-quality feeding materials and poor conditions of keeping.

- The structure of meat production is as follows: beef – 40.1%; lamb and goat – 16.5%; pork – 20.6%; poultry – 13.2%; other animal meat – 9.7%. In 2012 Kazakhstan produced 934.1 ths tons of meat, including 674.7 ths tons produced by private households, that is 72.2% of the total production volumes. 154.3 ths tons of meat were produced by agricultural enterprises, that is 16.5%; and 105.1 ths tons – by farms (or 11.3%).

- Our analysis reveals that meat and meat products consumption in Kazakhstan during the period from 2008 till 2012 was fluctuating from 49 to 67 kg (annual average per capita). As of today, the average annual per capita rate is 67 kg, as compared to 49 kg in 2008.

- The analysis results demonstrate that the price for meat and meat products is increasing along with the development of the sector under study. This can be partially explained by the increasing welfare level in the country. Besides, all producers have to increase meat prices to cover the growing expenditures associated with meat production. The prices peaks were observed in 2000–2001 and 2007–2008, and currently the situation at the market under study can be described as rather stable.

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КНИЖКОВИЙ СВІТ

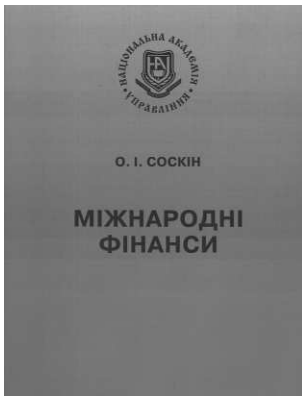


СУЧАСНА ЕКОНОМІЧНА ТА ЮРИДИЧНА ОСВІТА ПРЕСТИЖНИЙ ВИЩИЙ НАВЧАЛЬНИЙ ЗАКЛАД НАЦІОНАЛЬНА АКАДЕМІЯ УПРАВЛІННЯ

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У посібнику розкриті основні положення, сутність, механізми та функції міжнародних фінансів, розвиток та сучасний стан світової валютної системи та міжнародних фінансових ринків; проаналізовані сучасні тенденції у сфері міжнародних фінансів. Посібник сформовано відповідно до вимог Болонського процесу. Видання містить комплексні тестові завдання, питання для самоконтролю, глосарій. У посібнику знайшли відображення актуальні сучасні дослідження у сфері міжнародних фінансів, матеріали фахових періодичних видань «Актуальні проблеми економіки», «Економічний часопис – XXI» та інших.

Посібник призначено для студентів та аспірантів економічних спеціальностей, а також тих, кому цікаво сформулювати власне розуміння проблематики міжнародних фінансів.