MANAGEMENT OF COMPETITIVENESS AND DEVELOPMENT TRENDS OF THE ORGANIC SECTOR OF AGRICULTURE IN THE WTO

Abstract. Over the past five years, there has been an increase in the interest of Kazakh agricultural producers to switch to organic farming methods, as evidenced by both surveys of agricultural producers and an increase in the number of their appeals to organizations advising on the development of the organic sector. However, Kazakhstan does not maintain official statistics on the production of organic products, nor does it maintain a state register of organic producers and processing companies. The article deals with the market of agricultural products and food. The basic methods of management and regulation of agro-industrial complex of the Republic of Kazakhstan are described. The main components of the motivation to consume organic products. The foreign experience of regulation of organic production and processing of food products is given. The methods of management of competitiveness and development of the sector of organic agriculture in the WTO.

Key words: governance, competitiveness, organic agriculture, globalization, World trade organization, economics, management, finance and accounting.

Introduction. Markets for organic agricultural products and food operate in many countries of the world, especially in the US and the EU, where an appropriate infrastructure for certification and sale of organic products has been created and successfully operates. Motivation to consumption of organic products are [1]:

- Environmental food safety [2];
- High quality and freshness of products;
- The best taste properties of organic products [3];
- Preservation of the natural environment during production;
- Lack of genetically modified organisms [4].

Analyzing foreign experience, typical consumers of organic products are identified – urban residents with high purchasing power, belonging to the middle and upper social class, caring for the health of the family and focusing on high-quality products [5]. According to experts, the market of organic products in the world is constantly growing [6]. Thus, in 1999 it was estimated at $ 15 billion. In 2006, it amounted to about $ 30 billion, and in 2017 it reached $ 110 billion [7]. USA. The turnover of organic products in comparison with 1999 increased more than 6 times. In the context of the economic crisis of 2008, its growth slowed in many countries [8].

In connection with the development of competitiveness, the main priorities of the agricultural policy of the most developed countries are:

- the formation and functioning of innovative processes [9];
- the formation of favorable conditions for attracting investment;
- the development of agricultural infrastructure [10];
- the concentration of agricultural production;
- the creation of conditions for continuous training of rural workers [11].
Methodology. Information base of the study: statistical data of the Committee on statistics of the Ministry of national economy, the program of development of agriculture of the Republic for the period up to 2020, as well as reports of a number of enterprises involved in foreign economic activity. Also the materials placed on the websites of the global Internet were involved [12].

Methodological foundations of the study of economic theory and General scientific principles of the system approach, modern analytical, statistical and graphical methods of research using the methods of expert assessments, empirical and computational data obtained by the author in the process and as a result of the study.

Results. Over the past five years, there has been an increase in the interest of Kazakh agricultural producers to switch to organic farming methods, as evidenced by both surveys of agricultural producers and an increase in the number of their appeals to organizations advising on the development of the organic sector [13].

In table 1 the factors contributing to the transition to organic farming methods and the main difficulties are presented [14].

Table 1 – Factors contributing to the transition to organic farming methods and main difficulties

<table>
<thead>
<tr>
<th>Motives</th>
<th>Hardship</th>
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<tr>
<td>• Ability to sell products at higher prices;</td>
<td>• Psychological complexity of the transition to new methods of management after years of practice of traditional agriculture;</td>
</tr>
<tr>
<td>• Improving product competitiveness by improving quality [15];</td>
<td>• Due to the fact that the organic way of farming is more complex than the traditional one, the probability of the manufacturer making mistakes increases, because of which the yield can significantly decrease, the incidence of disease, weed infestation and pest infestation can increase;</td>
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<td>• Increase of export potential due to increased demand for organic products in foreign markets;</td>
<td>• Low level of information and knowledge on organic management methods and approaches;</td>
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<td>• Use of a wide variety of legumes in crop rotations, which allows to solve the problem of feed and maintain the level of nitrogen in the soil;</td>
<td>• Additional certification costs [16];</td>
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<td>• The possibility of more rational use of labor and increase the profits of the enterprise through the organization of on-farm processing and direct marketing of products;</td>
<td>• The ban on the use of synthetic preservatives in products can significantly reduce the period of its implementation.</td>
</tr>
<tr>
<td>• Care about the environment and health, is also one of the factors, even for small groups of farmers;</td>
<td></td>
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<td>• High cost of mineral fertilizers and pesticides.</td>
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Note: compiled by the author on the basis of the studied material.

Production and processing of products certified according to international standards is absent. Currently, Kazakhstan does not maintain official statistics on the production of organic products, nor does it maintain a state register of organic producers and processing companies. Despite this, the study revealed 29 producers and 19 processors of certified organic products [17].

Table 2 – Production of certified organic products in Kazakhstan

<table>
<thead>
<tr>
<th>№</th>
<th>Product</th>
<th>Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Grain crop</td>
<td>161 427</td>
</tr>
<tr>
<td>2</td>
<td>Oil crop</td>
<td>84 872</td>
</tr>
<tr>
<td>3</td>
<td>Leguminous crop</td>
<td>47 845</td>
</tr>
<tr>
<td>4</td>
<td>Fodder crop</td>
<td>8700</td>
</tr>
<tr>
<td>5</td>
<td>Medicinal herb</td>
<td>300</td>
</tr>
<tr>
<td><strong>Subtotal:</strong></td>
<td><strong>302 844</strong></td>
<td></td>
</tr>
</tbody>
</table>

Note: compiled by the author on the basis of the studied material.

Currently, there are about 100 manufacturers with the sign "Environmental products". In addition to agricultural producers, non-food producers have this sign, including plumbing, concrete, building materials, gypsum mixtures, rubber coatings, etc. [18]. Among the food producers with the sign "Environmentally friendly product" there are all groups of products: bread and cereal products, meat and meat products, fish and seafood, milk and dairy products, eggs, oils and fats, fruits, vegetables, sugar, jam,
honey, chocolate and confectionery. An interesting fact is that almost all large poultry farms have this sign [19]. This is due to the fact that the requirements for producers to subsidize engaged in the production of poultry meat, meat and eggs, include the presence of the sign "Environmental products" (government Decree of the Republic of Kazakhstan dated February 18, 2014 № 103 On approval of the Rules of subsidies from local budgets for the development of livestock breeding, increasing productivity and quality of livestock products) [20].

Conclusions. It can be concluded that in the conditions of modern growth of prices for petroleum products, we should expect another technological shift in agricultural production. Most likely, it will be associated with the wider introduction of genetically modified plant varieties, energy-saving techniques and technologies that will further reduce energy consumption per unit of production.

With population growth and food shortages, the prices of basic crops may rise faster than the prices of petroleum products. Such a scenario is possible with a wide spread of alternative energy sources [21].

Thus, based on the data obtained, it is obvious that the means of biologization in crop rotations are economically and environmentally justified.

However, for the successful development of organic production in Kazakhstan it is necessary to develop and approve:
- technical procedure for the production of organic products and raw materials;
- the procedure for assessing the suitability of soils for the production of organic products;
- procedure and requirements for labeling of organic products;
- national system of certification, accreditation of state control over the activities of subjects of production, transportation, storage, sale of organic products;
- to deepen scientific research in the field of production of organic products and raw materials;
- to organize training of qualified personnel in the field of organic farming, etc.

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ДСУ ЖАҒДАЙЫНДА ҚР ОРГАНИКАЛЫҚ АУЫЛ ШАРАУАШЫЛЫГЫ СЕКТОРЫНЫҢ БОСЕКЕГЕ КАБІЛЕТТІЛІГІҢ ЖӘНЕ ДАМУ УРДЫСЫН БАСҚАРУ

Аннотация. Қазақстандағы ауыл шаруашылығы ұялы және шаруашылық құртпасын қабілеттілігін және даму урдымын басқару қажет. Қазақстандағы ауыл шаруашылығы ұялы және әндірісі құртпасының қабілеттілігін және даму урдымын басқару қажет.

Түйін сөздер: басқару, босеке, кабілеттілік, органикалық ауыл шаруашылығы, жаңа, амал, қызмет, әйдебият, әдебиет, қазақ тіліндегі нұсқалар.

Кульжамал Балтаева

Жетісу қаласы, Талдықорған
комплекса Республики Казахстан. Охарактеризованы основные мотивационные составляющие к потреблению органической продукции. Приведен зарубежный опыт регулирования органического производства и переработки пищевых продуктов. Предложены методы управления конкурентоспособностью и развитием сектора органического сельского хозяйства РК в условиях ВТО.

Ключевые слова: управление, конкурентоспособность, органическое сельское хозяйство, глобализация, Всемирная торговая организация, экономика, менеджмент, финансы и учет.

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