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**CURRENT STATE OF THE AGRARIAN SECTOR OF THE REPUBLIC  
OF KAZAKHSTAN: PROBLEMS AND DEVELOPMENT PROSPECTS**

**Abstract.** Financial stability is one of the important economic factors through which you can assess the financial condition of the company. In market conditions, any commercial transaction, business relationship is preceded by an analysis of the financial condition, in particular financial stability and solvency of a potential business partner. The conclusion of contracts with a financially unstable partner can lead, for example, to a breakdown in the production process due to irregular delivery of raw materials and materials, which, in turn, will entail additional costs. An enterprise that clearly defines the lower and upper limits of financial sustainability so that insufficient sustainability does not threaten a lack of financial resources, its development, solvency or bankruptcy, but there is no excessive sustainability aggravating the costs of the enterprise with excessive reserves and reserves.

**Keywords:** economy, agriculture, products, competition, animal husbandry, crop production, agrarian sector.

**INTRODUCTION**

Financial sustainability is one of the important components of the overall sustainability of an enterprise. The difference between the concept of "financial stability" and "solvency" is manifested in the fact that "financial stability" is a more comprehensive concept, because it includes an analysis of various aspects of the operation of an enterprise.

Financial stability is characterized by the state of financial resources, their usability and distribution, which ensure the growth of an organization based on the growth of profits and capital, as well as preservation of solvency and solvency in conditions of maximum risk.

The financial stability of the company is influenced by various factors that can be classified according to the following features:

- At the place of origin - external and internal;
- The importance of the result - the main and minor;
- By structure - simple and complex;
- On time actions - permanent and temporary.

**MAIN PART**

During the analysis, great attention is paid to its internal factors, which depend on the activities of the organization, as well as those factors on which it can influence, change their influence and control them.

In the process of entrepreneurial activity, the farm must fully cover all of its current expenses from the proceeds from sales of products and other income items and form a balance - farm income, which is subsequently used to form funds: savings, consumption, reserve stocks, etc. (see picture 1) [1]

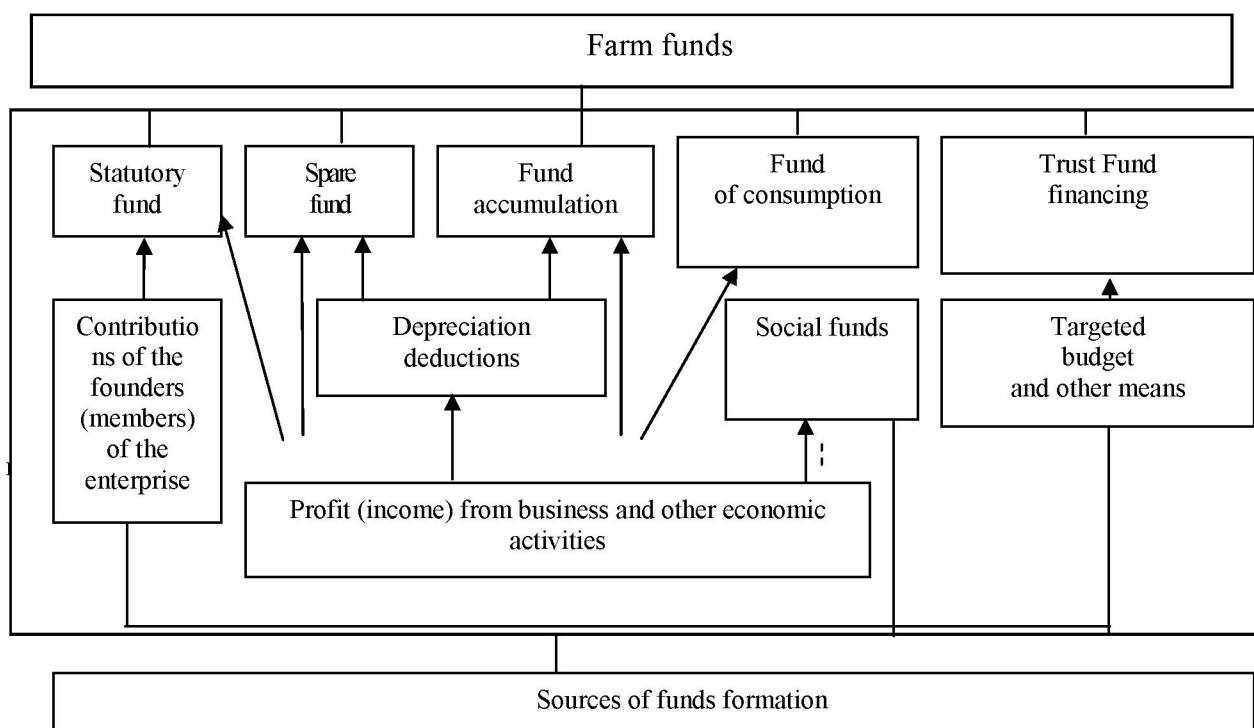


Figure 1 - Sources of funds formation

Therefore, the control of financial stability is one of the most important values in the analysis of the financial condition of the organization.

Financial stability is a kind of indicator of the quality of financial management in an organization, the ability of an organization to manage its financial resources, to remain solvent.

A specially developed program of preferential crediting “Sybaga”, implemented through the subsidiary organizations of “NUH” KazAgro JSC - “Fund for financial support of agriculture” and JSC “Agrarian Credit Corporation”, is directed to the development of farming. Obtaining loan funds for small and medium-sized agricultural producers has always been a big and sometimes unsolvable problem. This is due to the lack of sufficient collateral from farmers, the reluctance of second-tier banks to contact such complex borrowers, etc. “Sybaga” gives farmers the opportunity to receive a loan under the most simplified scheme at 6% per annum, giving the purchased livestock as collateral, grace period for repayment of the principal debt - up to 2 years, loan term - up to 7 years. Of course, when allocating credit funds, it is taken into account that the potential borrower has practical experience in housekeeping and the necessary material, technical and feed base. Nevertheless, the basic condition is the desire of the farmer to develop his business. Those farmers who will take part in the project of the development of meat animal husbandry in Kazakhstan until 2020 will receive preferential loans. You can also buy bulls for 2 years through KazAgroProduct JSC, where additional collateral is not required, except for the animal itself.

The priority right to receive all measures of state support:

- leasing of agricultural machinery and equipment;
- investment subsidies for the purchase of agricultural machinery and equipment;
- subsidizing interest rates when lending to agribusiness entities, leasing agricultural equipment and animals, technological equipment;
- subsidizing the costs of the audit unions of agricultural cooperatives for the internal audit of cooperatives;

Simplification of the procedures for granting loans and leasing under the terms of subsidiaries of KazAgro NUH JSC with repayment of the initial loan payment at the expense of investment subsidies and the provision of loans for subsequent lending to its members [2]. Today, it can be said that a new stage of creation and development of agricultural cooperatives is taking place, so under the Yntymak, Bereke,

Yrys, Yntymak Crediting Programs, financing is provided to agricultural producers for the following conditions.

Table 1 - Crediting Programs

Options	Bereke	Birlik	Yntymaq	Yrys
Special purpose	- the acquisition of livestock of cattle, small cattle, horses, other agricultural animals and birds, with the aim of fattening and obtaining agricultural products; - purchase of feed	- purchase of equipment for milk receiving points and / or milk tanker; - replenishment of working capital in the total amount of not more than 20% of the loan amount	the purchase of equipment and / or equipment for service-procuring organizations for meat, dairy and horticultural products; -completion of working capital	- purchase of mongrel breeding stock - replenishment of working capital in the amount of not more than 15% of the loan / credit line for the purchase of feed
Maximum loan amount	- individuals, farm, farm, entrepreneur - 4 000 000 tenge - Legal entities, farm, farm, entrepreneur - from 4,000,001 tenge to 40,000,000 tenge	- no more than 4 000 000 tenge - no more than 5 500 00 tenge for the purchase of a modular milk receiving station	50 000 000 tenge	- up to 20 heads of cattle - 5 000 000 tg From 21 to 49 heads of cattle - 13 million tg
Interest rate	6 % ГОДОВЫХ	6 % ГОДОВЫХ	6 % ГОДОВЫХ	6 % ГОДОВЫХ
Loan terms	The main debt, remuneration - no more than 6 months.	No more than 54 months	Up to 84 (eighty-four) months for the purchase of equipment or / and equipment; Up to 60 (sixty) months for working capital replenishment	No more than 84 months
Grace period	The main debt, remuneration - no more than 6 months.	The main debt - no more than 12 months. Remuneration - no more than 6 months.	The main debt is not more than 9 months. Remuneration - no more than 6 months.	The main debt is not more than 24 months. Remuneration - no more than 12 months.
Compiled by the author based on data from the Ministry of Agriculture of the Republic of Kazakhstan				

According to the table, we see that the lending rate for all types of loans is 6%, and has a livestock bias, which indicates support for farming in Kazakhstan. Creation of agricultural cooperatives contributes to solving not only economic, but also social problems: by organizing agricultural cooperatives in the areas of marketing, processing agricultural products, logistics and maintenance of agricultural producers, increase employment of the rural population, and create additional jobs.

The ideal indicator of financial stability of a business is absolute financial stability, but in practice it is rare, the most preferable remains - normal financial stability, and extremely undesirable - crisis financial stability.

Moreover, with unstable and crisis financial sustainability, if the organization still plans to remain on the market and further develop, sustainability can be restored by optimizing the structure of liabilities, as well as through a reasonable reduction in inventory levels and costs.

Financial stability - is the stability of the financial position of the company, provided a sufficient share of equity in the composition of funding sources. A sufficient share of equity means that borrowed sources of financing are used by an enterprise only to the extent that it can ensure their full and timely return [3].

The company's ability to repay obligations in the long term is determined by the ratio of own, borrowed funds, and their structure.

The negative consequences of the global financial and economic crisis had a negative impact on the activities of society. For example, a decrease in orders for grain adversely affect the financial condition of the company.

In this regard, the company has not fully realized its existing capabilities and has not achieved a significant increase in production and improvement of basic socio-economic indicators.

The limited financial resources of the enterprise, in particular, the lack of necessary working capital did not allow the company to increase production volumes, introduce new types of production and ensure proper preparation of production.

It should be noted that over the past two years there has been an increase in the volume of production of society. Such a successful operation of an enterprise is not possible without effective management of the enterprise and the implementation of correct financial policies.

In our opinion, the company has been operating in the market for quite a long time and has been successfully developing, but there are certain negative trends in the financial condition of the company.

Today, the analysis of the financial sustainability of an enterprise plays a significant role in the information support of the retrospective analysis of the activities of both the business entity and its internal and external counterparties, as well as the information substantiation of management decisions within the organization and its external counterparties [4].

Under the conditions of economic instability, enterprises with absolute financial stability are extremely rare in domestic practice. He also revealed a low level of borrowing and a high level of accounts receivable characterize a number of negative trends in the management of financial resources of the company, for example, the company during the analyzed period.

KazAgroFinance supports the farmers, and its portfolio is based on leasing of agricultural equipment and pedigree livestock.

The demand for the acquisition of new property through the leasing mechanism from the main customers of leasing companies, agricultural enterprises, grew not so much over the year, only by 4%. One of the main players in the market is KazAgroFinance JSC, which carries out leasing activities in the agro-industrial complex [5].

Can be recommended to society, to take the following measures:

1. Attraction of credits and loans to finance their business activities. Attraction of borrowed funds is recommended for the company for the following reasons:

- interest on servicing of borrowed funds as expenses are not included in taxable income;
- interest paid for the use of borrowed funds is lower than the profit that can be obtained from the use of loans in the company's turnover;
- by attracting borrowed funds, the company can expand production, increase the range of products.

Accordingly, the attraction of borrowed funds in the company's turnover is more profitable than the use of its own funds. The company needs to determine what amount of borrowed funds will be optimal for it, and not harm the sustainability of the enterprise.

2. Monitoring and analysis of receivables. It should be noted that receivables act as a factor that adversely affects the financial condition of the company.

According to the results of the analysis, the company has a certain share of accounts receivable. To maintain financial stability and ensure financial stability, an enterprise must strictly control and manage the level of receivables, monitor the ratio of receivables and payables.

An enterprise should effectively manage receivables, because it serves as a source of repayment of loans, loans, obligations to the state, staff, and contractual obligations of the company [6]. In case of late repayment of receivables, the company may face problems with the repayment of its own obligations. Breach of obligations threatens society with loss of business reputation and insolvency.

Uncontrolled level of receivables or its growth can lead to a slowdown in turnover. To prevent the occurrence of negative consequences, the company should develop and introduce a methodology for providing loans to customers and collection of funds.

Also, in order to prevent losses due to late repayment of debts, it is advisable to create a reserve for doubtful debts that can mitigate the consequences of financial losses [7].

An effective measure to combat the growth of receivables will be the development and introduction of a mechanism for the collection of receivables at the enterprise, which should include the following management actions:

- increase the size of the prepayment for the goods sold;

-strengthening the work of the legal department of the enterprise for the collection of overdue receivables.

Carrying out all these activities will allow the company to increase the amount of funds, accelerate the turnover of working capital, which in general will improve the financial condition of the company.

In order to preserve the financial stability and further development of the company, we will recommend the company to observe the following conditions as well:

- financing of long-term assets, the company must produce at the expense of long-term liabilities;
- the production activity of the enterprise should be financed from current assets. It is necessary to provide sources of formation of current assets;
- the current liquidity ratio must be above one.

Ensuring the fulfillment of the above conditions is quite a difficult task, because it is not easy to determine the needs of the company in working capital and in funds for financing working capital. To ensure compliance with these conditions, the financial service of the enterprise needs to develop and apply a model that will allow solving these problems and ensuring the normal level of financial stability of the enterprise [8].

To optimize the financial stability of an enterprise, it is first necessary to ensure the profitability of the activity. Rational use of the results of activity will allow a short period to optimize the financial condition of the company. Opportunities to optimize the state of the company due to more rational disposal of the results of activities are effective, but are exhausted with time. To ensure the profitability of the enterprise is possible through the effective management of the profit organization, which includes the following steps:

- accounting and financial analysis of profits;
- Forecasting and profit planning.

The financial sustainability of the business entity can also be optimized by creating substantial debt to the budget. This will create an additional source of funding for the current activities of the enterprise. However, this event is effective for a short period.

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#### **ҚАЗАҚСТАН РЕСПУБЛИКАСЫ АГРАРЛЫҚ СЕКТОРЫНЫҢ АҒЫМДАҒЫ ЖАҒДАЙЫ: МӘСЕЛЕЛЕРІ ЖӘНЕ ДАМУ КЕЛЕШЕГІ**

**Аннотация.** Қаржылық тұрақтылық - сіз компанияның қаржылық жағдайын бағалауға болатын маңызды экономикалық факторлардың бірі. Нарықтық жағдайда қандай да бір коммерциялық мәміле, іскерлік қатынастар алдындағы қаржылық жағдайдың талдауы, атап айтқанда қаржылық тұрақтылық және әлеуетті іскерлік серіктестің төлем қабілеттілігі. Қаржы тұрақсыз серіктесімен жасалған келісімшарттар, мысалы, шикізат пен материалдарды дұрыс емес жеткізумен байланысты өндірістік процестің бұзылуына әкелуі мүмкін, бұл өз кезегінде қосымша шығындар тудырады. Тұрақтылықтың жеткіліксіздігі қаржы ресурстарының жетіспеушілігіне, оның дамуына, төлем қабілеттілігіне немесе банкротқа ұшырауына қауіп төндірмейтін, бірақ оның артық резервтері мен резервтері бар кәсіпорынның шығындарын нашарлататын шамадан тыс тұрақтылық жоқ, сондықтан қаржылық тұрақтылықтың төменгі және жоғарғы шекараларын анық анықтайтын кәсіпорын.

**Түйін сөздер:** экономика, ауыл шаруашылығы, өнімдер, бәсекелестік, мал шаруашылығы, өсімдік шаруашылығы, аграрлық сектор.

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## СОВРЕМЕННОЕ СОСТОЯНИЕ АГРАРНОГО СЕКТОРА РЕСПУБЛИКИ КАЗАХСТАН: ПРОБЛЕМЫ И ПЕРСПЕКТИВЫ РАЗВИТИЯ

**Аннотация.** Финансовая устойчивость выступает одним из важных экономических факторов, посредством которого можно дать оценку финансового состояния предприятия. В рыночных условиях любой коммерческой сделке, деловым взаимоотношениям предшествует анализ финансового состояния, в частности финансовой устойчивости и платежеспособности потенциального бизнес-партнера. Заключение договоров с финансово неустойчивым партнером может привести, например, к срыву производственного процесса из-за нарушений сроков поставки сырья и материалов, что, в свою очередь, повлечет дополнительные расходы. Предприятие, которое четко определяет нижние и верхние пределы финансовой устойчивости, чтобы недостаточная устойчивость не грозила отсутствием финансовых средств, его развитию, платежеспособности или банкротством, но ни не возникла избыточная устойчивость отягощающая затраты предприятия излишними резервами и запасами.

**Ключевые слова:** экономика, сельское хозяйство, продукция, конкуренция, животноводство, растениеводство, аграрный сектор

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