STATE REGULATION AND PROSPECTS FOR THE DEVELOPMENT OF MEAT INDUSTRY OF KAZAKHSTAN BASED ON THE EXAMPLE OF FOREIGN EXPERIENCE

Abstract. Meat products market is one of the largest food products markets. It has stable traditions, and its condition has a significant impact on other food markets. For many years the system of production and distribution of products has been formed. Meat products of different product groups are part of the State strategic reserve. The article shows foreign experience of beef cattle breeding and beef market development. The evaluation of the meat processing industry development trends of the republic is presented, main reasons restraining the development of the industry are identified. Directions and mechanisms of stabilizing the processing industry, improvement of meat products quality, increase of its competitiveness are suggested. The ways of addressing economic problems aimed at increasing investment activity in the industry, public support of agriculture as an important direction of agricultural policy which ensure the effective functioning of agro-industrial production are considered. Proposals on improvement of these measures aimed to preserve the economic and food security of the country have been developed. The problems which solution is necessary to increase the investment attractiveness of the meat processing industry and the accelerated development of meat industry are identified. Recommendations on improvement of the price regulation system have been done.

Keywords: agro-industrial complex, agricultural commodity producer, meat processing industry, meat products, competitiveness, export, import, meat procurement system, vehicles, domestic and foreign markets, subsidies, Eurasian Economic Union.

At present stage of economic development of Kazakhstan, the issue of the formation of market relations in the country's economy is of major scientific and practical importance, and has a key importance in relation to the AIC of the republic, especially food complex and food subcomplexes, which provide the population with vital food products, including meat and meat products [1, 2]. Specific nature and direction of production of various meat products requires the integration of all processes, from the beginning of meat production (as raw material), to the end of its processing to final meat products and consumption by the population. However, the solution of this task is extremely difficult since the reserves and possibility of improving the efficiency of meat product sub-complex have not been used yet. All these factors in complex have preconditioned the need to study the market relations formation processes and inclusion of the population household products into the civilized market. The relevance of the choice of the topic is confirmed by the fact that meat raw materials market of the republic is formed by 85% of meat produced in the households and only 15% at agricultural enterprises and farms [3]. The aim of the study is to develop recommendations on improvement of meat product sub-complex functioning, which contributes to the increased production of meat products and cost minimization. The main objectives of the competitive meat-production sector development in the republic include the development of the system of measures aimed to ensure the effective development of meat production and processing and based on this fact to establish the competitive meat market, improve market relations mechanism and its rapid
development, which will contribute to the increased meat production and sales volumes, develop market infrastructure, establish the effective market relations system in meat products sector [4].

The experience of foreign countries shows [5, 6] that the increased technical level of meat-processing industry and products quality is closely linked with competition development. Western economists believe that competitive market stimulates production.

Taking into account the existing food shortage, i.e. the gap between the actual level of consumption of meat products and nutrition norms, in many countries of the world special attention is paid to the development of livestock production and, in particular, cattle breeding.

Cattle breeding plays a decisive role in production of livestock products. Therefore, from all types of farm animals, the cattle population is the largest and accounts to more than 1.5 billion heads, including beef - more than 520 mln. heads. The cattle population is located on the continents in the following way: Asia - 40.4%, South America - 20.2%, Africa - 14.4%, North and Central America - 12.8%, Europe - 9.7%, Oceania (Australia and New Zealand) - 2.5%. At the same time, more than 50% of the cattle stock is concentrated in 6 countries of the world: India - 67 mln. heads, Brazil - 49.9, China - 49, USA - 34.3, EU - 29.3, Argentina - 13.9 mln. heads.

The world annual production is about 57-58 mln. tons of beef in slaughter weight. The world leaders in beef production are the United States -20.7%, Brazil - 16.3%, the European Union - 13.6%, China - 10%.

The world exports of beef in 2016 amounted to 10.9 mln. tons and, in the experts opinion, within a decade should increase to 12.43 mln.tons. The world leader in beef exports volume is Brazil (18.7% in physical terms). Three largest exporters of this type of meat are also India and Australia. Each of the countries make average 17.3% of the world exports.

In terms of beef import dominates the United States of America (1.08 mln. tons), China is currently becoming the world's second largest beef importer, although here the consumption of beef per capita is less than of pigs and poultry.

One of the leading countries in the world in meat and by-products import - is Russia, which in 2016 imported more than 1 mln. tons of meat. In the structure of imported supplies, the largest share (50%) is beef.

The world leader in the beef consumption volume is the United States (21.1% of the world's beef consumption). It is followed by the European Union (14%), China (10%) and Argentina (4.4%). The top five of the world's largest consumers of beef includes Russia which share is 4.3%. In total, these five countries consume more than half (53.8%) of the world's beef. The consumption of beef per capita varies greatly for each of these countries. So, in the USA the figure is 38 kg of meat per year (third place), in the countries of the European Union - 16 kg of meat per year (24th place), in China - less than 10 kg of meat per year (not among the top thirty leaders); in Argentina the consumption is 54 kg of meat per year (second place), and in Russia - 18 (21st place). The world leader in beef consumption level per capita per year is Uruguay (60 kg).

Many issues of market relations formation in terms of meat-products subcomplex of Kazakhstan require further study and development of proposals on improvement of market mechanism. The directions of meat market formation, the ways to increase the efficiency of meat production based on the use of economic levers, the issues of cooperation and integration of production with the involvement of households, processing of meat raw materials, and improvement of the State regulation of the meat market are insufficiently justified.

As a result of the research it was found that meat processing enterprises face a number of problems related to the difficulties of livestock production development in terms of extreme shortage of domestic raw materials, unjustified use of artificial additives in livestock production, irrational use of secondary resources, the need to reduce losses in intensive refrigeration technologies, insignificant development of new progressive, resource-saving technologies.

In order to increase the investment attractiveness of meat-processing industry and the accelerated development of meat industry, it is necessary to address a number of economic issues related to the coordination of inter-industry ties between technologically related industries; attraction of significant investment resources; guarantee of their protection, targeted use aimed at renewal of fixed capital; increase of genetic potential of meat productivity of cattle breeds based on the use of the best domestic
and foreign breeding achievements. Provision of subsectors of beef cattle breeding with competitive domestic breeding material and avoiding the dependence on large-scale import supplies, taking into account the continued financial support for the development of breeding basis of the industry and implementation of regional programs on livestock breeding development [7, 8].

An important direction of agricultural policy, which allows to ensure the effective functioning of agro-industrial production - is public support of agriculture. One of the factors that facilitate successful functioning of agricultural sector is a "spared" tax regime in two options:

- the first one assumes a traditional taxation system, but with extended provision of tax incentives (widely used in the developed countries of Europe, the USA, China);
- the second, in addition to general taxation system, presupposes the existence of a special regime for agricultural commodity producers (Russia, Kazakhstan, Belarus, Ukraine).

The specific feature of the developed countries is the high level of taxation, which corresponds to a high level of productive forces in these countries, and the main goal is to create the most favorable conditions for agricultural sector development.

In foreign system of taxation of agricultural enterprises, the principle of progressive taxation operates, which facilitates the tax burden for small and medium-sized farms, as well as a differentiated approach to taxation.

In the Republic of Kazakhstan, taxation of agricultural enterprises is regulated by the Tax Code, according to which there are two types of preferential taxation:

- for private and peasant farms - common land tax;
- for legal entities - manufacturers of agricultural products, special tax regime. Under a special tax regime for legal entities, the amount of taxes payable to the budget: corporate tax; VAT; social tax; property and vehicles tax calculated in accordance with generally established procedure are subject to a reduction of 70%.

The assessment of the effectiveness of preferential taxation regimes based on the example of agricultural activities showed that tax burden has significant ranges of fluctuations, which are justified by tax basis in the republic, which is determined not by production of agricultural products, but by value of farmland, the area, the availability of machinery, equipment, property and other tangible assets. As a result, there is a significant range of fluctuations in the tax burden, the share of taxes in profits, and income.

In order to unify the public support system in the countries of the Eurasian Economic Union, product sales income taxes (the Republic of Belarus) and profit taxes (Russia) have been calculated, which showed that the lowest level of impact on production efficiency is provided by tax burden on profits, which in the average reduces it by 1.5 percentage points, i.e. the profitability of beef production on average reduces to 23% [9].

So, based on the taxation systems of agricultural producers in the EAEU countries, it can be stated that taxation system in Kazakhstan is underdeveloped, it does not take into account the effectiveness of various types of agricultural production, the statistical system of tax information is underdeveloped, and it is impossible to analyze and make appropriate adjustments.

In beef cattle breeding subsidizing system, the increased budget support funds is a positive aspect. However, the bulk of budgetary funds is aimed at increasing the genetic potential of beef cattle (68%), including breeding work, purchase of breeding cattle, increase of productivity and product quality [10].

Evaluation of the effectiveness of subsidizing beef cattle breeding shows that the level of public support for beef cattle breeding to its gross output is 10.5%, according to the "yellow basket", which is limited by the WTO Rules, and is 2.5%, which is below the threshold value which is set at the level of 8.5% for Kazakhstan.

One of the factors hampering the effective development of beef cattle breeding in the republic is the low level of coverage of beef cattle by breeding work (in 2017 - 55.4%), i.e. almost half of available beef cattle remain outside the breeding work.

As the experience of foreign countries shows, the level of public financial support depends on the results of the activities of commodity producers, primarily animal productivity. For example, if the set results are not achieved, then the amount of support drastically reduces.

In Kazakhstan, the productive qualities of beef cattle is significantly lower than current indicators of the countries which have the developed meat cattle breeding. For example, the average live weight of
livestock when sold for meat is 320-340 kg instead of the desired 450-500 kg needed for cost-effective beef cattle production. In the USA, according to FAO, this figure is 570 kg, Canada - 520 kg, Germany - 500 kg.

Unsettled economic relations in the chain "agricultural producer - processing - trade", leads to the fact that the share of farms that grow beef cattle is no more than 20-25.5% of the retail beef price, instead of 45-50% in Western countries. At the same time, public support for beef cattle breeding, which is 10-15% of production costs compared to the EU countries (30-90%), is insufficient.

Thus, the research results make it possible to state that the method of distribution of public support in agroindustrial complex in Kazakhstan needs to be improved because it does not take into account the most important principle of rationality - the degree of recoupment of the invested funds, the size of the allocated budget funds doesn't comply with the efficiency of agricultural production.

The priority directions of the activity of the enterprises of meat industry should be the production cost reduction, increased specific output of final production from a ton (unit) of processed raw materials and reduction of its cost price, renewal of assortment, increased output of packaged products, increased production volumes of competitive products [11].

For the purpose of compliance of meat processing industry with the rules of the civilized market, and make the sustainable economic growth and improvement of population living standard to be the norm for Kazakhstan, it is needed to coordinate the efforts of the government and business in this direction.

In order to increase the efficiency of public support for the development of beef cattle breeding industry, the following measures have been proposed:

- improved price regulation - the main function of the economic structures of all developed countries. In Japan, for example, the Price Department regulates the prices of dozens of product items, including meat and processed products. At the same time, import tariffs are used which take into account the need to increase or decrease prices. In the meat industry in Austria, Sweden and Switzerland, there are fixed prices of beef, veal and pork. The estimated price of live animals is determined annually within the EU. Impressive successes were achieved in the development of the AIC in the Netherlands, where the level of self-sufficiency in food is very high. For many products, especially of livestock origin, production is 2.5-3.5 times higher than the domestic consumption. The Netherlands is a major exporter, primarily of meat. Approximately 75% of exports fall to EU member countries, primarily to the FRG.

  **in taxation:** use the system of determining the tax basis, depending on production results, based on the example of preferential taxation of the Republic of Belarus or Russia;

  **in crediting:** use preferential lending (subsidizing the remuneration rate) for working capital and when providing public support (leasing of equipment, machinery or animals); increase the lending period and reduce the interest rate on vehicles. In this regard, it is necessary to pay investment subsidies in the amount of 30% of investments in equipment, which will facilitate the provision of meat processing enterprises with raw materials and increase production of meat products.

  **in subsidizing:**

  - support for breeding work should be provided taking into account not only the yield of the offspring, but also its preservation;

  - subsidizing should be organized on a long-term basis and in a comprehensive manner (subsidizing, taxation, investment subsidies, leasing, preferential lending based on the principle "one farm – one application"), depending on production progress, i.e. achievement of the level of the set indicators;

  - subsidize beef production based on livestock productivity (basic standard + coefficient of productivity).

For stimulating beef production, it is proposed to differentiate the applicable subsidy rate, depending on the number of animals to be slaughtered or processed.

**Conclusions.**

1. Researches on production and processing of meat products in Kazakhstan have been conducted based on the study of foreign experience which ensure sustainable income of agricultural producers and possibility of extended reproduction

2. It has been revealed that many reserves and opportunities of improvement of the efficiency of meat product sub-complex have not yet been used.

---

64
3. Main factors constraining the development of meat-processing industry have been determined, which result in the fact that domestic production becomes less competitive than imported.

4. Since technological condition of meat processing enterprises requires renovation and reconstruction, it is expedient to modernize them by investing in technological production processes in the form of investment subsidies, development of new resource-saving and science-intensive technologies of production and processing of meat raw materials, environmentally safe utilisation of livestock wastes, and a qualitative improvement of feed basis. This approach will increase labor productivity and profitability of meat processing enterprises.

5. Recommendations on the improvement of price regulation system that contribute to the reduction of the consumer price of food products on the domestic market and increase of the competitiveness of agricultural production in the republic have been done.

REFERENCES


Т. А. Таипов

Алматы экономика және статистика академиясы, Алматы, Қазақстан

ШЕТ ЕЛДЕРДІҢ ТӘЖІРИБЕСІ МЫСАЛЫНДА ҚАЗАҚСТАНЫҢ ЕТ САЛАСЫҢ ДАМЫТУДЫ МЕМЛЕКЕТТЕК РЕТЕТУ ЖӘНЕ ОҢЫҢ КЕЛЕШЕГІ

Аннотация. Ет оңыздері нарғың – азык-түлік тауарлары нарғыңдын дәрісінің ең ірісі болып табылады. Ол орында тұратын жағдайда басқа азык-түлік нарғыңдарына айтарлықтай есеп қалады. Қазақстандағы оңыздын өңірінің нәрсенің дамытуы қажет екендігін қабылдайды. Энді өңір арқылы көлденеді. Қазақстандағы оңыздың дамытуы өңір кезінде қабылдайды. Қазақстандағы оңыздың дамытуы өңір арқылы көлденеді.
Түйін сөзілер: агроэкономіка, кешен, ауру әрекеттері, техникалық қауіпсіздік, ежелгі әрекеттер, сәбесі, күнделік, көрсетілген, саптама, аяқтау.

Т. А. Таиров
Алматинская Академия экономики и статистики, Казахстан

ГОСУДАРСТВЕННОЕ РЕГУЛИРОВАНИЕ И ПЕРСПЕКТИВЫ РАЗВИТИЯ
МЯСНОЙ ОТРАСЛИ КАЗАХСТАНА НА ПРИМЕРЕ ЗАРУБЕЖНОГО ОПЫТА

Аннотация. Рынок мясных продуктов – один из крупнейших среди рынков продовольственных товаров. Он имеет устойчивые традиции, его состояние оказывает существенное влияние на другие рынки продуктов питания. За многие годы сформировалась система производства и распределения продуктов. Мясные продукты разных товарных групп являются частью государственного стратегического запаса. В статье показан зарубежный опыт развития мясного скотоводства и рынка говядины. Даны оценка тенденций развития мясоперерабатывающей промышленности, выявлены основные причины, сдерживающие развитие отрасли. Предложены направления и механизмы стабилизации перерабатывающей промышленности, улучшения качества мясной продукции, повышения ее конкурентоспособности. Рассмотрены пути решения экономических проблем для повышения инвестиционной активности в отрасли, государственная поддержка сельского хозяйства как важное направление аграрной политики, позволяющее обеспечить эффективное функционирование агропромышленного производства. Разработаны предложения по совершенствованию указанных мер в целях сохранения экономической и продовольственной безопасности страны. Выявлены проблемы, решение которых необходимо для повышения инвестиционной привлекательности мясоперерабатывающей отрасли и ускоренного развития мясной индустрии. Даны рекомендации по совершенствованию системы регулирования цени.

Ключевые слова: агропромышленный комплекс, сырьевые товаропроизводители, мясоперерабатывающая промышленность, мясная продукция, конкурентоспособность, экспорт, импорт, система заготовки мяса, транспортные средства, внутренний и внешний рынки, субсидирование, Евразийский экономический союз.

Information about authors
Таиров Тимур Алчинович – acting professor, Candidat of economic sciences, Associative professor, Almaty Academy of Economics and Statistics. E-mail: i.taipova@mail.ru