

Brief overview of the Kazakh poultry sector

In general, Kazakhstan's poultry industry has witnessed a steady growth in recent years. Today Kazakhstan is self-sufficient in eggs. However, local companies are still unable to satisfy the domestic demand in poultry meat.

Live poultry production:

As of 1 January 2018, poultry population in Kazakhstan was 39.9 million birds, which is an 8% increase compared to the same period of 2017. Of this number, 22.3 million or 55.9% were laying hens. The share of agricultural companies or poultry plants in Kazakhstan's live poultry production is over 70% followed by individual households (26.8%) and private farms (only slightly over 1%). Although the number of poultry bred by individual households is over 26%, the main reason for keeping poultry is for eggs since the share of poultry meat produced by individual households is slightly over 3%.

Currently 55 companies are engaged in the commercial poultry production in Kazakhstan, including 32 companies specialized in egg production and 18 companies specialized in poultry meat production.

The top 5 largest producers of live poultry are Almaty Region (over 9 million birds or 15% of total production), Akmola Region (over 5 million birds or 14.4%), North Kazakhstan Region (4.2 million birds or 10.8%), Kostanai (4.2 million birds or 10.6%) and East Kazakhstan Region (3.8 million or 9.7%).



Poultry population in Kazakhstan, by numbers:

1. Almaty Region: 9 246 327 birds (15% of total production)
2. Akmola Region: 5 746 428 birds (14.4%)
3. North Kazakhstan Region: 4 295 343 birds (10.8%)
4. Kostanai Region: 4 246 244 birds (10.6%)
5. East Kazakhstan Region: 3 872 055 birds (9.7%)
6. Karaganda Region: 3 789 367 birds (9.5%)
7. South Kazakhstan Region: 2 783 212 birds (6.9%)
8. Pavlodar Region: 1 411 864 birds (3.5%)
9. West Kazakhstan Region: 1 378 774 birds (3.4%)
10. Aktope Region: 1 346 494 birds (3.3%)
11. Zhambyl Region: 1 193 246 birds (2.9%)
12. Atyrau Region: 440 903 birds (1.1%)
13. Kyzylorda Region: 114 898 birds (0.28%)
14. Mangystau Region: 41 209 birds (0.1%)

Poultry meat production:

The primary meat consumed in Kazakhstan is beef followed by lamb and poultry. In 2017, domestic production of poultry meat was slightly above 179,000 tons. Over 173,000 tons of poultry meat (or 96%) were produced by poultry plants and 6,200 tons (3.5%) were produced by individual households. Although the country produces around 180,000 tons of poultry meat, its domestic consumption is nearly twice as high (see the table below).

Production, import, export and domestic consumption of poultry meat in Kazakhstan in 2012-2016:

	2012	2013	2014	2015	2016
Production	123 056.8	135 795.8	134 201.2	146 127.8	152 715.1
Import	203 725.0	174 988.2	159 556.9	161 750.1	165 560.9
<i>CIS countries</i>	<i>47 215.8</i>	<i>46 158.6</i>	<i>37 286.9</i>	<i>43 246.1</i>	<i>43 511.1</i>
<i>Other countries</i>	<i>156 509.2</i>	<i>128 829.6</i>	<i>122 270.0</i>	<i>118 504.0</i>	<i>122 049.8</i>
Domestic consumption	319 018.7	281 280.8	315 107.5	306 632.3	308 190.1
Export	1 429.4	2 639.1	5 462.2	7 896.7	8 778.9
<i>CIS countries</i>	<i>1 429.4</i>	<i>2 639.1</i>	<i>5 462.2</i>	<i>7 896.7</i>	<i>8 778.9</i>
<i>Other countries</i>	-	-	-	0.0	0.0

According to the Poultry Union of Kazakhstan, the plan for 2018 is to increase the poultry meat production up to 211,000 tons, which is by 30,000 tons higher than in 2017. However, this increase will not allow to fully satisfy demand of the domestic market which relies on imports for nearly 50% (mainly from Ukraine, Russia, Brazil and USA). Altogether, Almaty, East Kazakhstan and Akmola regions produce over 77% of poultry meat, accounting for 76,238 tons, 44,791 tons and 18,112 tons, respectively.

Egg production:

Currently the country is self-sufficient in eggs. Its production fully covers the domestic demand in eggs. Local egg producers have also started going abroad. Some companies started exporting to the far and near abroad, including to countries such as Kyrgyzstan, Tajikistan, Uzbekistan, Russia, Mongolia, Afghanistan and UAE. In near future, there are also plans to start egg and poultry meat exports to China. In 2017, the country produced over 5.1 billion eggs, including 3.8 billion eggs (or 74.5%) produced by poultry plants, 22.7 million eggs (or 4.4%) produced by private farms and over 1.2 billion eggs (or 23.5%) produced by individual households. The top 5 largest producers of eggs are Almaty Region (1.1 billion eggs or 21.6%), Akmola Region (0.8 billion eggs or 15.7%), North Kazakhstan Region (0.7 billion eggs or 13.7%), Kostanai Region (0.65 billion eggs or 12.7%) and Karaganda Region (0.63 billion eggs or 12.4%). They all account for over 76% of all egg production in the country.

According to industry experts, Kazakhstan faces a number of issues that hinder further development of the poultry industry:

- Lack of poultry feed and very weak animal feed production sector. The country is only self-sufficient in grain and a little bit in corn, but all other premixes, additives and vitamins are imported from abroad. According to the Ministry of Agriculture of Kazakhstan, there are about 69 feed producing companies in Kazakhstan, includes both companies producing feed for cattle and poultry. The majority of these companies are based in Almaty Region (35%), North Kazakhstan Region (27%) and Aktobe Region (11%), which makes 73% in total, and the rest 27% is scattered in other regions. These 69 feed producing companies produce about 1.9 million tons of feed per year, which is only slightly over 40% of their capacity because they produce feed depending on incoming orders. The companies produces less poultry feed than their production capacity because prices of feed are very high and not all companies can afford it. There are some small-scale producers, who do not purchase feed at all.
- Dependence on foreign poultry pedigree/parent stock breeders is another problem for Kazakhstan. If there is an outbreak of bird flu in Europe, Kazakhstan will be unable to

import the parent stock. Therefore, there is a need in establishing a local farm/company that will breed a pedigree stock (both for egg and broiler production) locally.

Opportunities for Dutch companies:

In our opinion, business opportunities for Dutch companies in the poultry sector exist in the following areas:

- Poultry breeding: hatching eggs and day-old chickens;
- Hatchery technology;
- Poultry housing solutions, including housing systems, ventilation, climate control, feeding and watering systems, etc.;
- Poultry feed and healthcare: feed milling equipment, premixes, additives, vitamins and veterinary preparations;
- Processing solutions for poultry slaughtering;
- Waste management solutions (especially for large poultry and egg producers);
- Practical training.

Poultry meat production in Kazakhstan in 2017, by all categories of producers:

	Value in tons
Kazakhstan	179,624.4
Almaty	76,238.3
East Kazakhstan	44,791.0
Akmola	18,112.2
South Kazakhstan	10,257.2
Karaganda	9,031.4
Pavlodar	4,822.3
Kostanai	4,607.5
Zhambyl	4,156.5
North Kazakhstan	3,395.1
Aktobe	3,379.1
West Kazakhstan	713.8
Atyrau	92.3
Kyzylorda	26.6
Mangystau	0.1

Chicken eggs production in Kazakhstan in 2017, by all categories of producers:

	Value in pieces, *1,000 pieces
Kazakhstan	5,086,481.3
Almaty	1 082 839.0
Akmola	793 635.7
Kostanai	649 322.6
Karaganda	630 092.3
South Kazakhstan	339 029.7
Aktobe	184 566.1
Pavlodar	170 303.5
East Kazakhstan	147 790.8
Zhambyl	120 014.5
Atyrau	98 837.5
Kyzylorda	6 707.3