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20 13 ЖЫЛҒЫ 24.12 № 22-06/11-1154

Ömer Tüzel
Ambassador Extraordinary and Plenipotentiary
Embassy of the Republic of Turkey
in the Republic of Kazakhstan

Dear H.E. Ömer Tüzel!

National Management Holding «KazAgro» expresses its gratitude and informs the following.

“KazAgro” has been working on investment attraction for financing and realization of investment projects in Agricultural sector of Kazakhstan. With the aim to increase effectiveness of investor attraction, from the 1st of October 2013, Department for direct investments within “KazAgro” was created. The aim of the department for direct investments is to attract foreign investors and to provide advisory support.

The following areas are priority sectors for “KazAgro”:

1. Development of animal fodder production;
2. Creation of commercial dairy farms and development of existing dairy farms;
3. Construction and development of poultry farms;
4. Construction of greenhouse facilities and development of existing greenhouses;
5. Construction of vegetable storage facilities and development of existing storage facilities;
6. Production of horticultural, technical crops and oilseeds with irrigation system application;
7. Development of agricultural machinery construction;
8. Construction of cattle feedlots with developed infrastructure;
9. Development of grain export infrastructure and grain processing;
10. Construction of meat processing plants;
11. Creation of cattle breeding farms;
12. Creation of cattle slaughter units;
13. Development of fine wool production and processing;

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14. Construction and modernization of grain storage facilities;

15. Development of vegetables production and processing

Apart from soft financing of agricultural producers in Kazakhstan, in the frame of the sector development program "Agrobusiness 2020" the following government support measures are provided:

- Investment subsidies for installation and construction work, agricultural equipment and machinery purchase.

- Compensation of interest rates on loans and leases granted;

- Reimbursement of 50% of cost of feed, veterinary preparations, fuel and lubricants; production subsidies for crop and animal production; subsidies on breeding livestock production;

Also, in the frame of the Law "On investments" following preferences are provided:

- Tax exemptions and state grants as free land plots and buildings;

- Exemption from customs duties will be provided for import of raw materials, equipment and spare parts needed for implementation of the investment project.

With the purpose to increase the awareness of foreign investors on investment opportunities in agricultural sector of Kazakhstan, we kindly ask you to distribute the enclosed presentation and contact details of "KazAgro". Also, we kindly ask for your support in establishment of collaboration with priority companies (list of priority companies is attached).

Attached is the brief information about agricultural sector of Kazakhstan, available government support measures and list of priority companies.

Chairman of the Board



D. Aitzhanov

Arapova A.A.

☎ 8 (7172) 70-56-20 (ext. 1800)

✉ a.arapova@kazagro.kz

Список потенциальных инвесторов

№	Company name	Country	Activity
1	ABS Global, Inc	USA	Animal breeding
2	ADM Alliance nutrition	USA	Animal feed production
3	AGCO	USA	Agricultural machinery
4	Agria Corporation	USA	Agricultural products (seeds)
5	Alico	USA	Agricultural products
6	AmityTechnology LLC	USA	Agricultural machinery
7	Archer Daniels Midland Company	USA	Grain and oilseeds production
8	Aviagen group	USA	Animal breeding
9	Blumberg Grain	USA	Grain storage facilities
10	Bunge	USA	Grain storage facilities
11	Cadiz	USA	Agricultural Development
12	Cargill	USA	Food Industry
13	Continental Grain company	USA	Grain storage facilities
14	Gavilon Corp	USA	Livestock
15	General Mills	USA	Food Industry
16	Global Industries Inc.	USA	Grain storage facilities
17	Globex International Inc.	USA	Agricultural products
18	Hormel foods	USA	Food Industry
19	Hubbard	USA	Animal breeding
20	Kent nutrition group	USA	Grain processing
21	Kellog	USA	Food Industry
22	Pilgrims corporation	USA	Poultry production
23	Sanderson Farms	USA	Animal feed production
24	The Andersons	USA	Grain production, storage, marketing
25	Camellia PLC	UK	Agricultural production
26	Genus PLC	UK	Animal breeding
27	Australian Agricultural Co	Australia	Meat production
28	Global Agricultural holdings Inc	Australia	Agricultural production
29	GrainCorp LTD	Australia	Grain production
30	Alta Genetics Inc.,	Canada	Animal breeding
31	Ecolait ltd	Canada	Animal breeding

Список потенциальных инвесторов

№	Company name	Country	Activity
32	Saputo	Canada	Food Industry
33	Semex	Canada	Animal breeding
34	Agravis Raiffeisen	Germany	Animal feed production
35	Agrifirm feed	Netherlands	Animal feed production
36	Agrofert	Czech Republic	Food Industry
37	Althea S.p.A.	Italy	Tomato paste production
38	Animex	Poland	Meat processing
39	Arla Foods amba	Denmark	Milk and milk products
40	Ardo	Belgium	Vegetables processing
41	Aviko	Netherlands	Vegetables processing
42	Alois Pöttinger Maschinenfabrik Ges.m.b.H	Austria	Agricultural machinery
43	A.Moksel AG	Germany	Poultry production
44	Agrowill Group	Lithuania	Agricultural products
45	Agroton Public LTD	Ukraine	Grain and oilseeds production
46	Bayernland eG	Germany	Milk products
47	Barilla	Italy	Tomato paste production
48	Bernard Krone Holding GmbH & Co. KG	Germany	Agricultural machinery
49	Biovela Group	Lithuania	Meat processing
50	Campina	Netherlands	Milk products
51	CLAAS	Germany	Agricultural machinery
52	CNH Global NV	Netherlands	Agricultural machinery
53	Campofrio Alimentacion, S.A.	Germany	Poultry production
54	Continental farmers Group PLC	Poland	Crop Production
55	De Heus	Netherlands	Animal feed production
56	DANSIRE International A/S	Denmark	Animal breeding
57	Danish Crown Group	Denmark	Meat processing
58	Dewulf NV	Belgium	Agricultural machinery
59	DUOL	Slovenia	Vegetables storage facilities
60	Doux	France	Poultry production
61	DLG	Denmark	Food Industry
62	Ekosem-Agrar GmbH	Germany	Agricultural production

Список потенциальных инвесторов

№	Company name	Country	Activity
63	Elanders	Latvia	Fish processing
64	EW Gruppe	Germany	Animal breeding
65	Fazer	Finland	Food Industry
66	Ferrero group	Italy	Кондитерские изделия
67	FirstFarms Group	Denmark	Agricultural production
68	ForFarmersHendrix UTD	Netherlands	Animal feed production
69	Gilde	Norway	Food industry
70	Glon	France	Animal feed production
71	Hochland	Germany	Milk products
72	Hortex Holding S.A.	Poland	Vegetables processing
73	SIA "Iecavnieks&Co"	Latvia	Oilseeds processing
74	InVivo NSA	France	Animal feed production
75	Industrial milk corporation	Ukraine	Milk and crop production
76	Irrifrance	France	Equipment for irrigation
77	Karums	Latvia	Milk products
78	Kauno grudai	Lithuania	Agricultural products
79	Kerry Group	Ireland	Food Industry
80	Kuhn Group	France	Animal feed production
81	Lely Group	Netherlands	Agricultural machinery
82	Lindt international	Switzerland	Confectionary
83	Ltd. Lielzeltiņi	Latvia	Poultry production
84	Maspex Wadowice Group	Poland	Food Industry
85	Mlekovita	Poland	Milk products
86	Nestle	Switzerland	Animal feed production
87	Nidera	Netherlands	Oilseeds
88	Norsk Kjøt	Norway	Food industry
89	Nutreco International	Netherlands	Animal feed production
90	Orkla	Norway	Food Industry
91	POLSKIE MŁYNY S.A.	Poland	Grain processing
92	Provimi-Rolimpex S.A.	Poland	Animal feed production
93	Parmalat	France	Food Industry

Список потенциальных инвесторов

№	Company name	Country	Activity
94	Reaton	Latvia	Food Industry
95	Rieber and Son	Norway	Food Industry
96	Rokiškio sūris	Lithuania	Milk products
97	Valio Ltd	Finland	Milk products
98	SAME Deutz Fahr	Italy	Agricultural machinery
99	SOKOŁÓW S.A.	Poland	Meat processing
100	Storck	Germany	Confectionary
101	Tine	Norway	Milk and milk products
102	Ter Beke NV	Belgium	Meat processing
103	Westfleisch	Germany	Meat production and processing
104	Food Empire holdings	Singapore	Food Industry
105	F&N Foods Pte Ltd.	Singapore	Agricultural products
106	TUNGSAN FOOD INDUSTRIES PTE LTD	Singapore	Sauces production
107	CHOP HUP CHONG FOOD INDUSTRIES PTE LTD	Singapore	Meat processing
108	Golden Bridge Foods Manufacturing	Singapore	Meat processing
109	Indoguna Singapore PTE LTD	Singapore	Meat production
110	Country Foods PTE LTD	Singapore	Fruits and vegetables processing
111	Hosen Group LTD	Singapore	Fruits and vegetables processing
112	MALAYSIA DAIRY INDUSTRIES PTE LTD (MDI)	Malaysia	Dairy products
113	Agri Jordan	Jordan	Food industry
114	Arab Greenhouses Manufacturing Co. Ltd.	Jordan	Greenhouses
115	Savola foods	Saudi Arabia	Food Industry
116	Almarai	Saudi Arabia	Food Industry
117	National Agricultural Development	Saudi Arabia	Food Industry
118	Saudi Dairy and Foodstuff Company	Saudi Arabia	Milk and milk products
119	Herfy Food services company	Saudi Arabia	Food Industry
120	Halwani Bros	Saudi Arabia	Food Industry
121	Al-Jouf Agriculture Development	Saudi Arabia	Agricultural production
122	Agthia Group	UAE	Food Industry
123	Gulf Livestock Company	Kuwait	Animal production
124	Sugar and integrated industries company	Egypt	Sugar production

Список потенциальных инвесторов

№	Company name	Country	Activity
125	AFGRI corp	South Africa	Agricultural production
126	Astral Foods LTD	South Africa	Poultry production
127	Amir Marketing & Investments in Agriculture Ltd	Turkey	Crop production
128	Cresud SACIF Y A	Argentina	Agricultural production
129	Agrale	Brazil	Agricultural machinery
130	Brazil foods	Brazil	Food Industry, Meat production
131	BRF	Brazil	Meat production and processing
132	Cosan	Brazil	Food Industry
133	Grupo Bertin	Brazil	Meat production
134	Kepler-weber	Brazil	Grain storage facilities
135	Grupo Bertin	Brazil	Meat production
136	JBS	Brazil	Meat production
137	Friboi	Brazil	Meat production
138	Marfrig Group	Brazil	Food Industry
139	Minerva	Brazil	Meat production
140	Perdigao	Brazil	Poultry meat and beef production
141	Oderich	Brazil	Meat production
142	China Agri-Industries Holdings Limited	China	Agricultural production
143	China green holdings limited	China	Agricultural production
144	China national fisheries corp	China	Fish production
145	Chaoda modern agricultural holdings ltd	China	Agricultural production
146	Cofco	China	Animal feed production
147	DaChan/East Asia Group	China	Animal feed production
148	Foton Lovol International Heavy Industry Co., Ltd.	China	Agricultural machinery
149	Marubeni	Japan	Food Industry
150	Kubota Corp.	Japan	Agricultural machinery
151	Kikkoman	Japan	Food Industry
152	Charoen Pokphand (CP Group)	Thailand	Food Industry
153	UniPrezident	Taiwan	Animal feed production
154	National Feedlot Corporation (NFC)	Malaysia	Animal breeding
155	Charoen Pokphand (CP Group)	Thailand	Food Industry



“KazAgro” National management holding” JSC

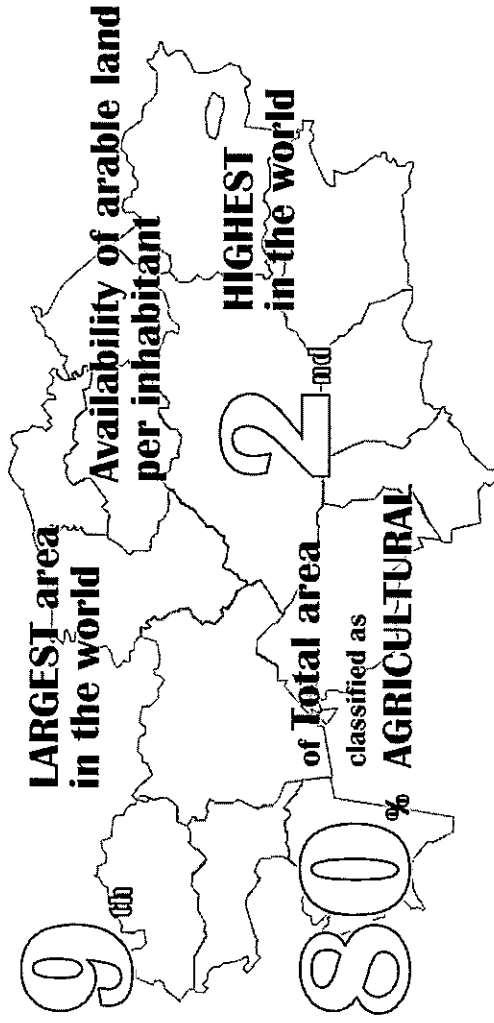
Investment opportunities in Agricultural sector of Kazakhstan

***Doing together,
Achieving more***



Competitive advantages

Abundant landmass

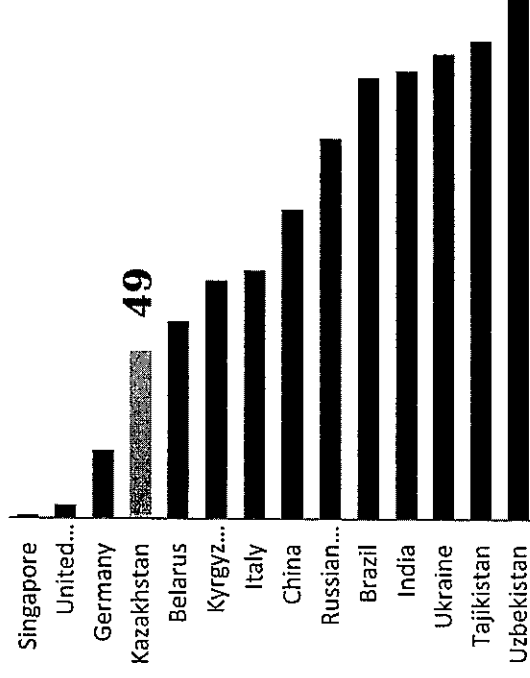


Abundant workforce



Political stability and good investment climate

- A high level of trust in political institutions in comparison with the countries of the CIS
- Ease of Doing Business - 49th place:
 - Investor protection - 10th place
 - Payment of taxes - 17th place

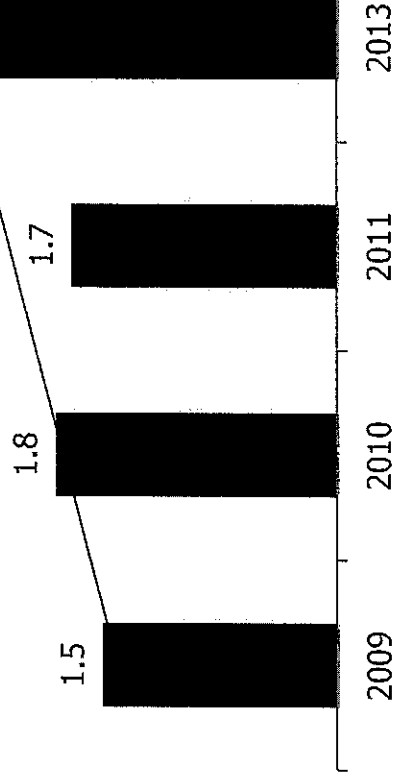


"KazAgro" National management holding" JSC

Stable growth in Agricultural sector

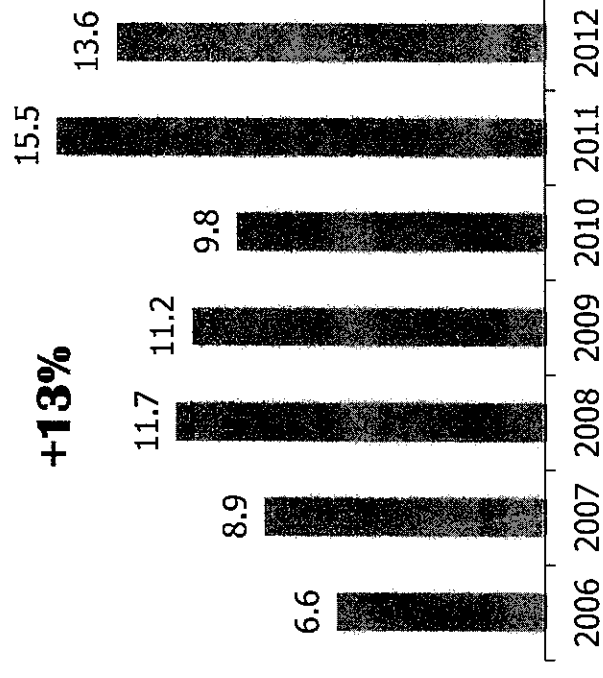
Total trade in agro-food products

+21%



Agriculture production

+13%



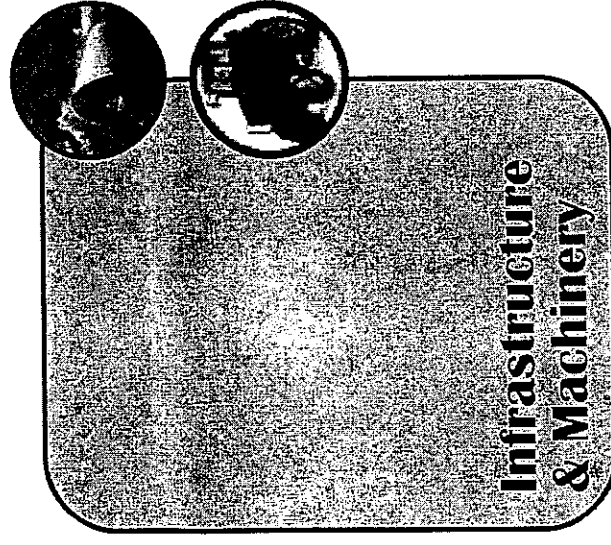
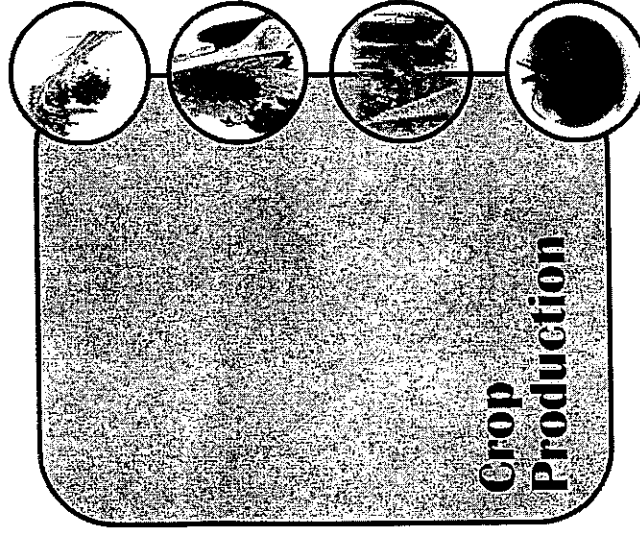
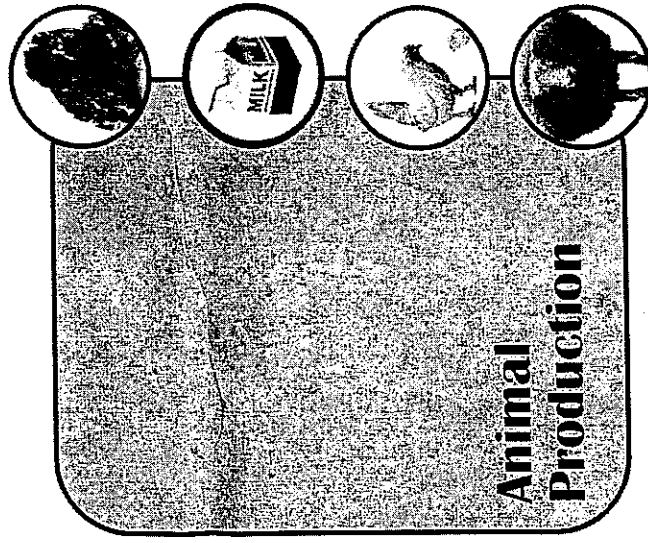
- The sector benefits from a natural compliance with global environmental and food safety requirements – Kazakhstan ranks #1 in the world in terms of lowest levels of chemicals application in crop production
- An ever increasing demand for food in major markets which are geographically close to Kazakhstan (China, Central Asia, Russia)

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Main Agricultural Niches

The Government has defined main vectors of agricultural development of
Kazakhstan

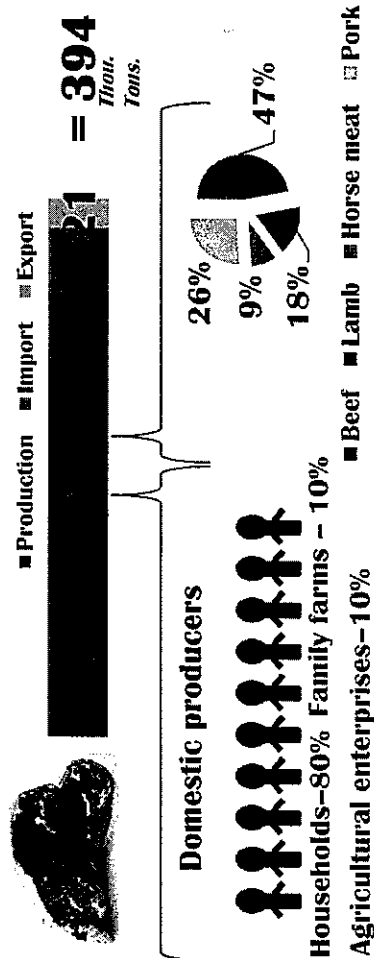


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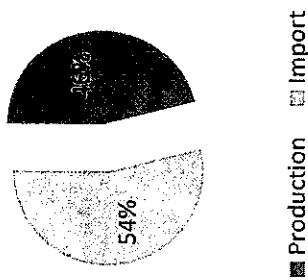


Meat production & processing

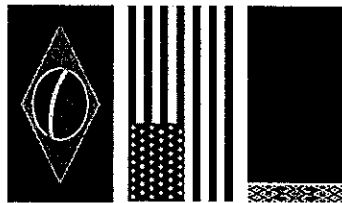
Structure of Meat production industry



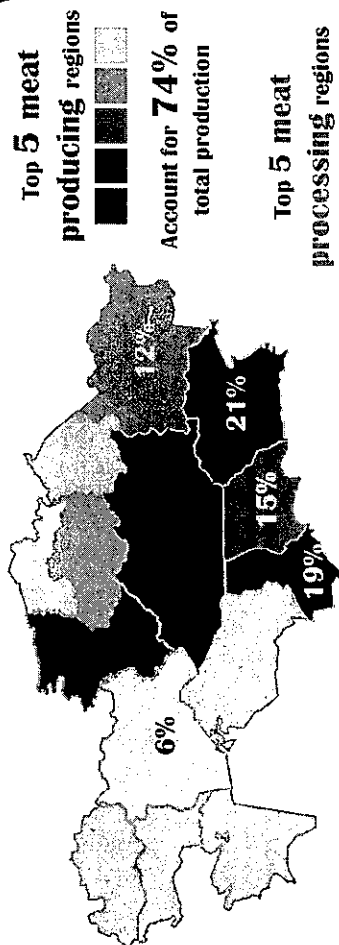
Meat processing industry



Main suppliers



Map of Meat production & processing in RK



Government support measures

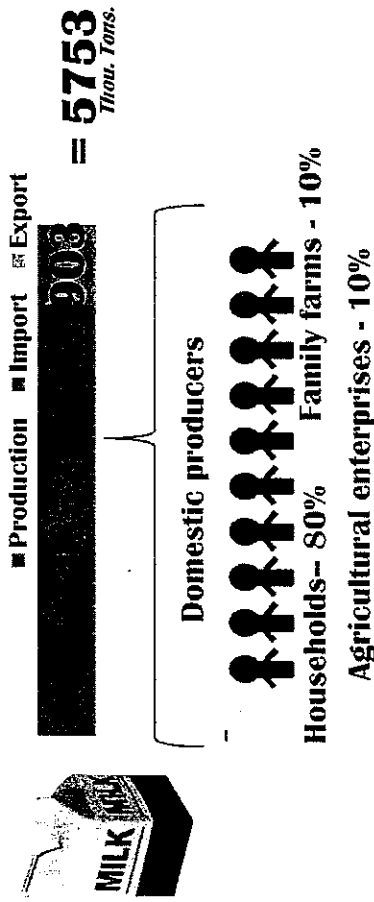
- Production subsidies amounts 1,5 USD per kg of the selling price;
- Feed purchase price reimbursement – up to 50% of the concentrated feed;
- Feed purchasing price reduction for breeding cattle – up to 30 USD per head;
- Breeding cattle purchase price reimbursement – up to 50% of the total value. Depending on the country of cattle origin reimbursement amount differs.

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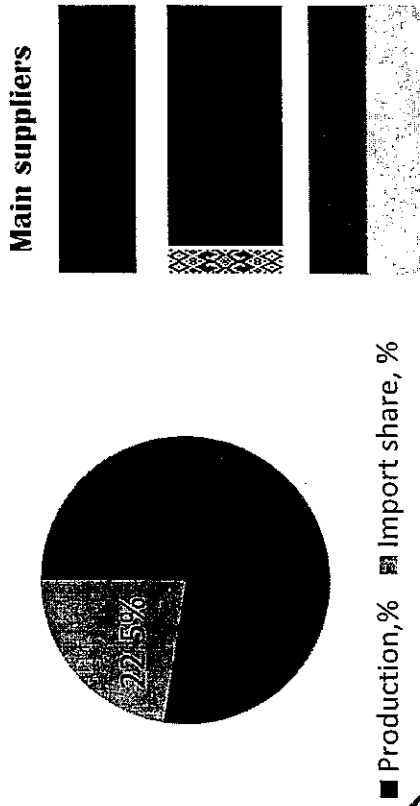


Milk & Milk products production

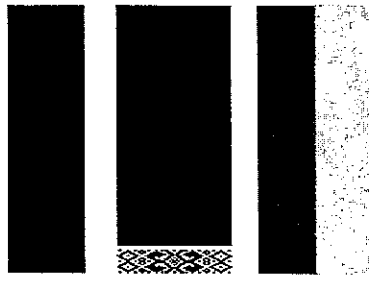
Structure of Milk industry



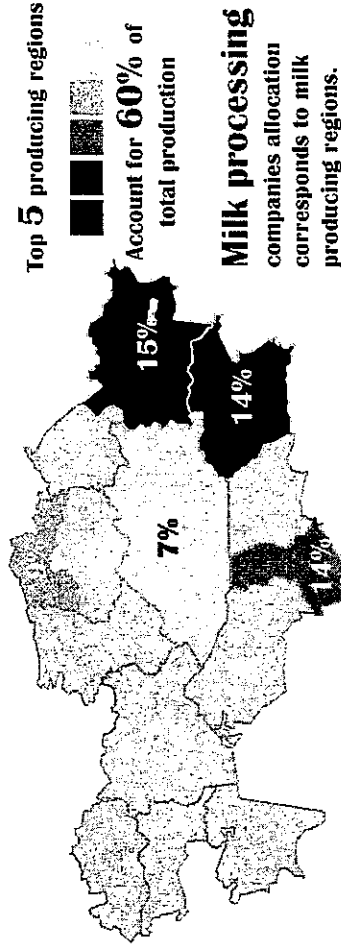
Milk products market share



Main suppliers



Map of Milk production in RK



Government support measures

- Milk production subsidies – 0,16 USD per 1 kg of the selling price;
- Feed purchase price reimbursement – up to 45% of the feed cost;
- Breeding cattle purchase price reimbursement – up to 50% of the total value. Depending on the country of cattle origin reimbursement amount differs.

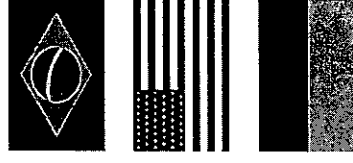
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Poultry meat production

Structure of poultry meat industry

Main suppliers



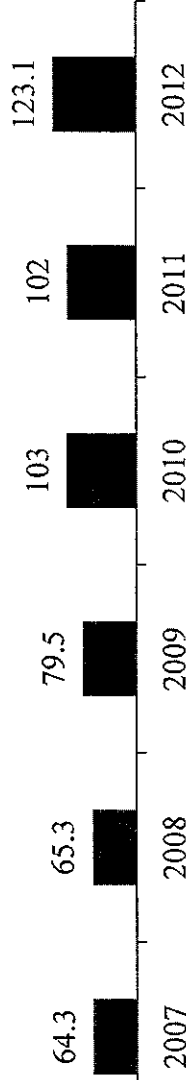
■ Production ■ Export ■ Import



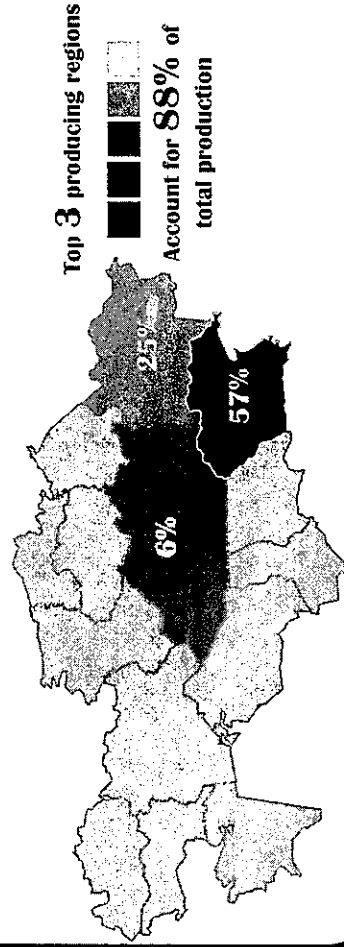
= 314
Thou. Tons.

192

Poultry production, thou. tons



Map of poultry meat production in RK



Government support measures

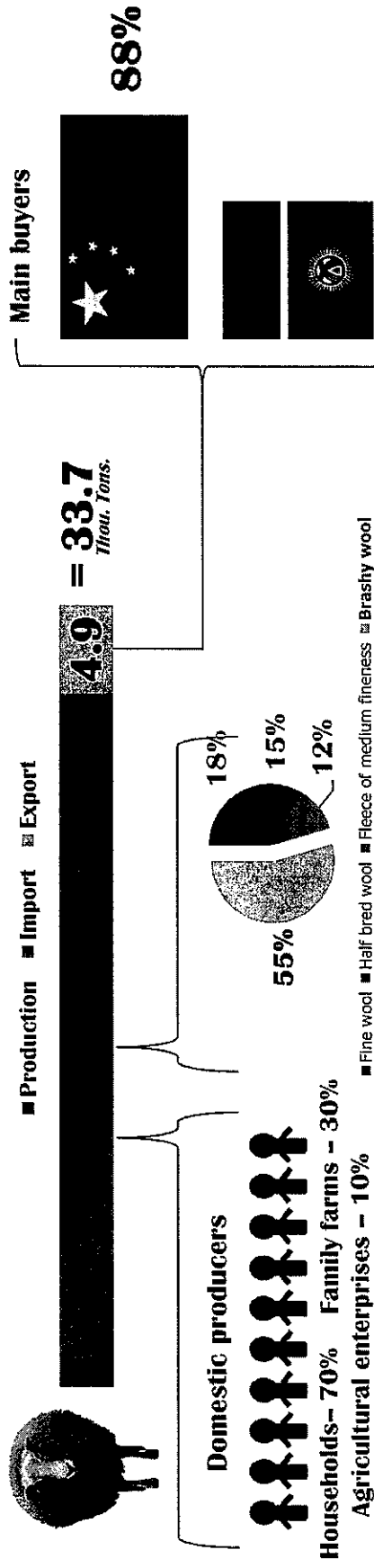
- Production subsidies amount 17%-21% of the total selling price of poultry meat per kg;
- Reimbursement subsidies on feed purchase – up to 45%;
- Reimbursement subsidies on breeding eggs and chicks purchase - up to 50% of the purchase price or not less than 2 USD per chick.



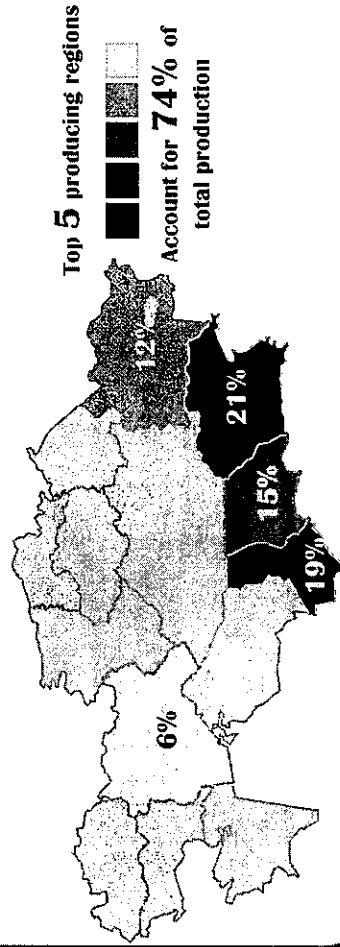
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Fine wool production & processing

Structure of Wool industry



Map of wool production in RK



Government support

- Production subsidies for fine wool – 0,86 USD per kg;
- Breeding cattle purchase price reimbursement – up to 50% of the total value, but not less than 53 USD per head from domestic breeding enterprises.

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Grain production & processing

Structure of Grain industry



- Kazakhstan is one of the top 10 wheat exporting countries in the world
- About 80% of the wheat produced is of high quality;
- Kazakhstan is one of the top countries to produce wheat flour;
- There are only 2 corn processing plants to produce Gluten, Glucose and starch and no wheat processing plants

Flour of wheat ratio is 72-74% depending on:

- technological equipment
- the quality of the grain.

Map of Grain production in RK

Top 3 producing regions

account for 80% of total

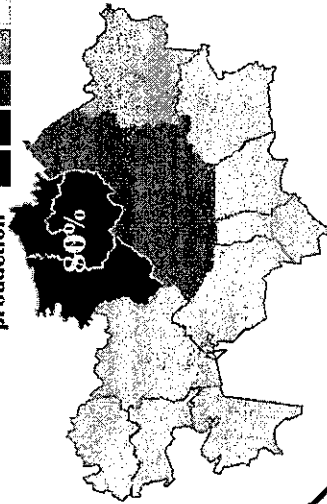
production

Main buyers
(more than 70 countries)

South eastern
Asia

CIS countries

Middle East



Government support measures

- Basic seeds purchase price reimbursement – up to 40%
- Fertilizers purchase price reimbursement – up to 50% from a local producer and up to 30% for imported fertilizers;
- Fuel cost reimbursement – up to 40% of the purchase price;

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Oilseeds production & processing

Structure of oilseeds industry

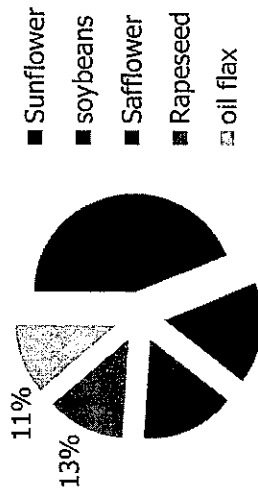
■ Production ■ Import ■ Export



Domestic producers

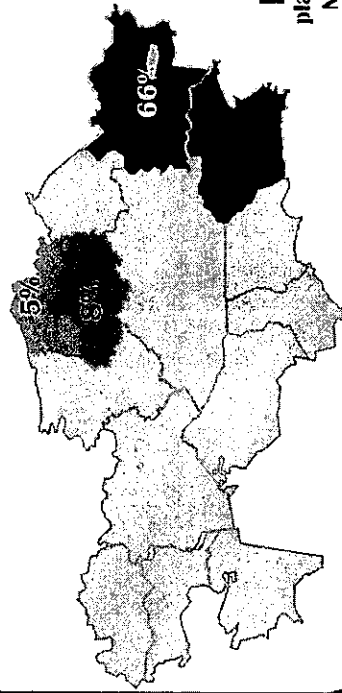


Households – 50% Family farms – 50%



Map of oilseeds production in RK

■ East Kazakhstan and Almaty regions account for 87% of total production



Oilseed

processing plants are located in North Kazakhstan and Almaty regions

Government support measures

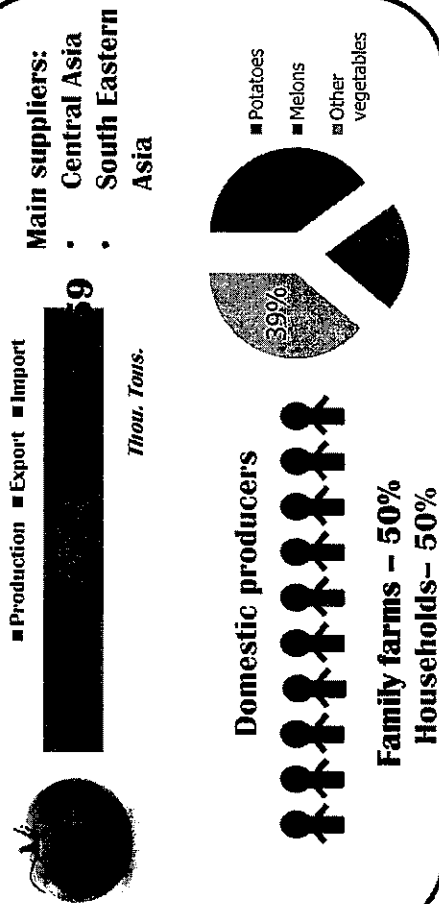
- Basic seeds purchase price reimbursement – up to 40%;
- Fertilizers purchase price reimbursement – up to 50% from local producer and up to 30% for imported fertilizers;
- Fuel cost reimbursement – up to 40%;

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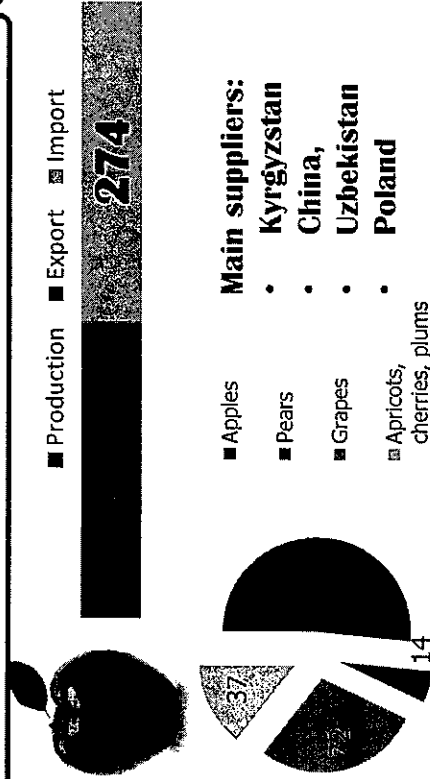


Fruits & Vegetable production

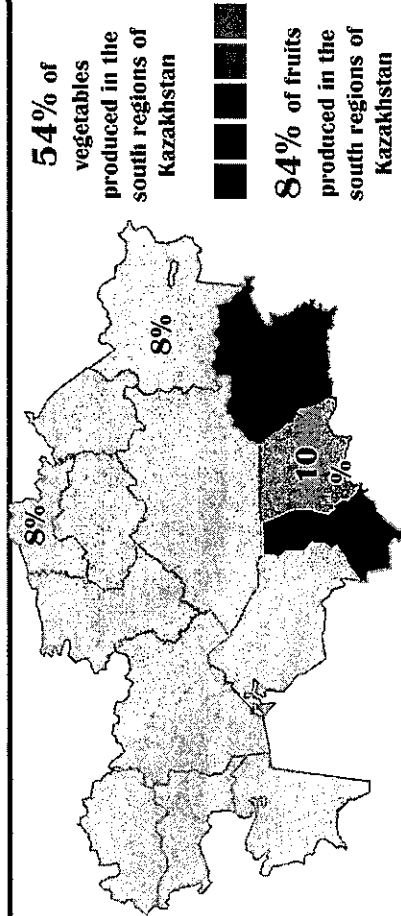
Structure of vegetable industry



Structure of fruits industry



Map of fruits and vegetables production in RK

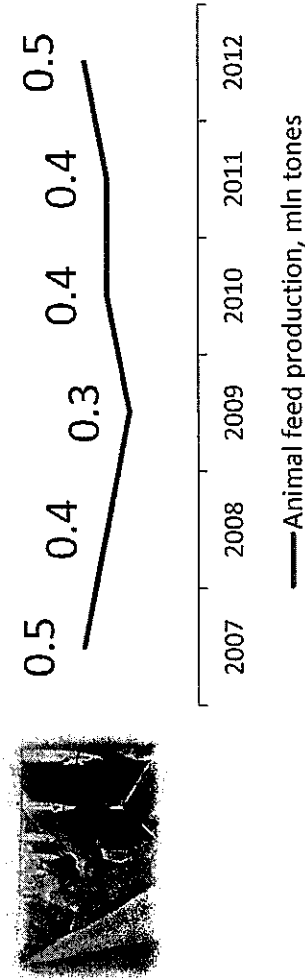


Government Support measures

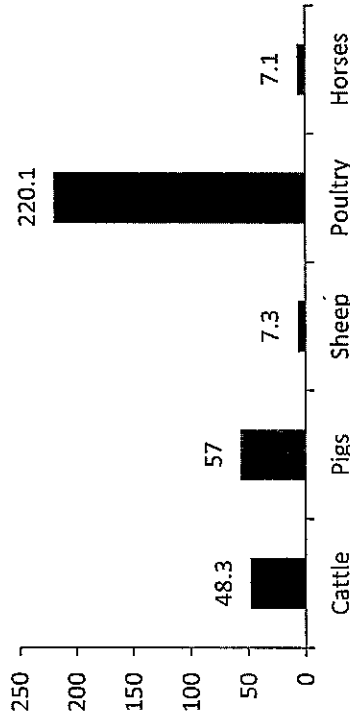
- Grapes growing cost reimbursement – up to 40%, if the growing area exceeds 5 ha;
- Fruits growing cost reimbursement – up to 40%;
- Fertilizer cost reimbursement - up to 50% for local fertilizers and up to 30% for imported fertilizers;

Animal feed production

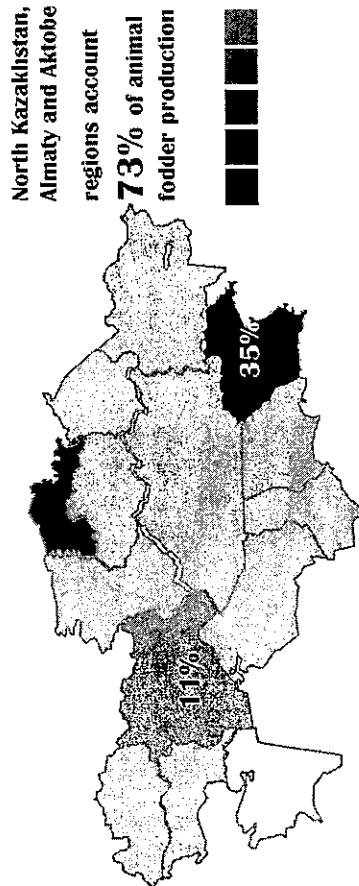
Structure of animal feed industry



Animal feed consumption



Map of animal feed production



Government support measures

- Basic seeds purchase price reimbursement – up to 40%
- Fertilizers purchase price reimbursement – up to 50% from local producer and up to 30% for imported product;
- Fuel cost reimbursement – up to 40%;
- Water cost reimbursement – from 20% up to 90% depending on irrigation technologies.



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Construction of vegetable & grain stores

Structure of vegetables and grain storage industries

Vegetable storage



395 vegetable storage facilities

- Total storage capacity amounts for 267 thousand tons;
- Due to lack of storage capacities, Kazakhstan imports vegetables and fruits during winter and spring time.



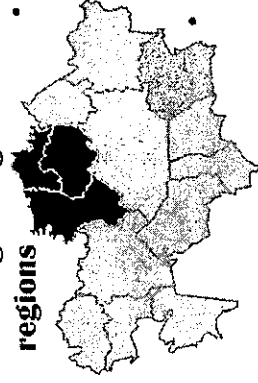
Grain storage

221 grain storage facilities

- Total storage capacity amounts for 13.85 mln. tones

Map of Grain and vegetable storage facilities allocation

Grain growing regions



- During the high yield appears deficit in grain storage capacities in Grain growing regions
- Vegetable storage facilities mainly are in Almaty and central Kazakhstan regions

Government support measures

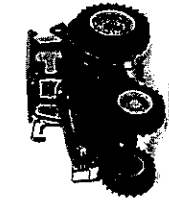
- Grain storage facilities construction cost reimbursement up to 40%;
- Vegetable storage facilities construction cost reimbursement up to 30%;
- Fruit storage facilities construction cost reimbursement up to 40%;

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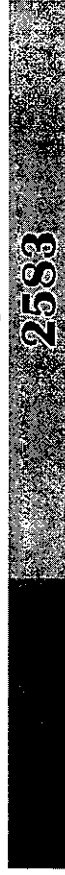
Agricultural machinery production

Structure of Agricultural machinery industry



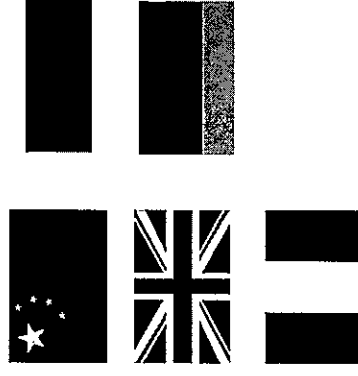
Tractor production balance:

Production Import



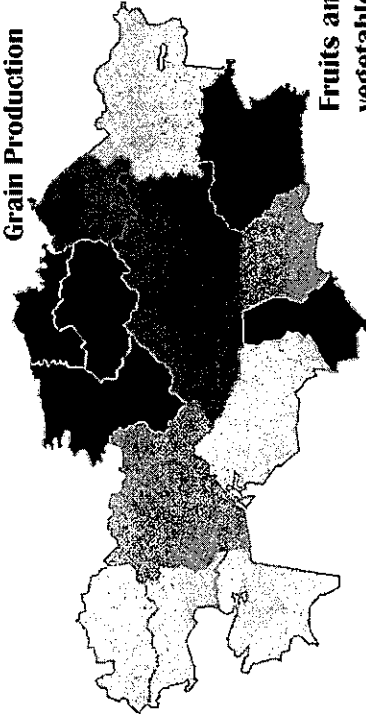
- Level of depreciated harvesters amounts 71%, tractors – 93% and ploughs – 95%;
- Domestic production of agricultural machinery amounts 1 % of total consumption

Main suppliers



Map of agricultural machinery usage

Grain Production



Fruits and vegetables production

Government Support measures

- Credit on preferential rates;
- Interest rate subsidies on agricultural machinery and equipment lease;
- Percentage of required local content for Agricultural machinery – harvesters, plough and tractors manufacturing is 5%-10% for first 5-7 years.

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Governmental support

Agribusiness 2020

Investor 2020



SUBSIDIES on interest rate
of loans and leases

NO

CUSTOMS on equipment, components,
raw materials and spare
DUTIES parts



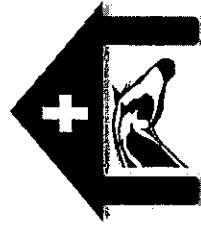
INVESTMENT SUBSIDIES for
construction and
modernization

TAX exemptions up to **70%** (Land,
Corporate income and property taxes)



REIMBURSEMENT of COSTS
for Fish, Animal & Crop
production

STATE ORDER & GRANTS
(free land plot, buildings,
machinery and equipment)



Development of the **VETERINARY**
& **PHYTOSANITARY** (construction
of laboratories, subsidies for fertilizer
use)

INDUSTRIAL SUBSIDIES
(reimbursement of the cost of
electricity, gas, water and etc.)



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Top reasons to invest in Kazakhstan

Political Stability



- A high level of trust (ranking WEF) in political institutions in comparison with the countries of the CIS.
- Kazakhstan is moving towards integration with OECD countries and accession in WTO.

Ample Natural Resources



- Kazakhstan is the 6th largest country around the world in terms of mineral resources.
- 99 out of 120 elements from Mendeleev's periodic table were explored in KZ

Investor Protection



- 10 place in the investor protection (World bank)
- 48 bilateral agreements on mutual protection of investments

Customs Union Markets



- Customs Union (Kazakhstan, Russia, Belarus) with a population of 170 million and a total GDP of 2 trillion

Favorable Business Climate



- Ease of Doing Business 50 place (World bank, 2013)
- Attractive corporate tax rate (20%) and low VAT (12%)

Favorable Location



- 3 of the 4 BRIC countries are in 4 hours flight

Economic Growth

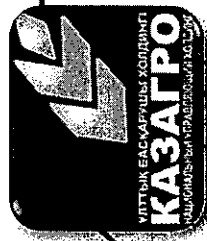


- GDP growth: 7.5% (IMF 2012)
- Low debt / GDP ratio: 15.8% (IMF 2012)
- Budget deficit: 2.5% (IMF 2012)

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Partners you can trust



**Institution unifying state agencies,
operating in various fields of agricultural
industry**

Guarantee fund for grain and cotton



KazAgroGarant

State machinery leasing



KazAgroFinance

Provision of Concessional credit

Agricultural credit corporation

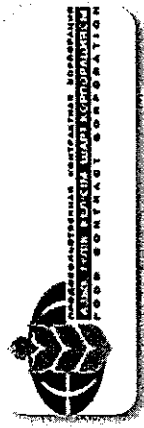


**Fund for financial support of
agriculture**



State purchase agencies

Food Contract Corporation



KazAgroProduct



GRAINS/OILSEED

LIVESTOCK



**Addition of new
Investment company**

KazAgroInvest

Goal

**Attraction of FDI for
implementation of
investment projects
in agribusiness complex
on the principles of
state-private partnership.**

Objectives

**Contribution to cluster
development of agriculture**

**Contribution to development of
“green technologies”**

**Development of new production
and niche sectors**



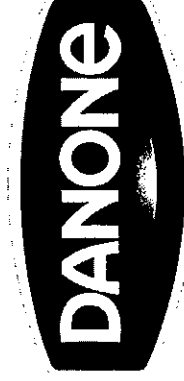
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Successful Investment projects

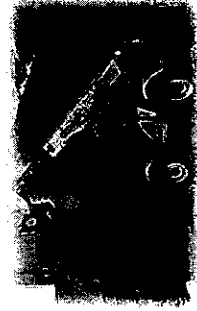
Establishment of reproductive farm
(Angus and Hereford)



Production of milk and milk
products



Feed crop cultivation and stocking
of feedings for cattle



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Thank you for your attention!

The “ONE STOP SHOP” for FOREIGN INVESTORS in AGRICULTURE OF KAZAKHSTAN

**Department on Attracting Foreign Investments at the National
Management Holding KazAgro**

**Providing information about
investment
projects and analytical
information**

**Assisting in finding a local
partner**

**Consulting foreign companies on
obtaining investment preferences
and subsidies**

**Assisting in obtaining land plots,
arranging meetings with key-
decision makers**

Republic of Kazakhstan, Astana city 010000, 24 Republic avenue

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