

Assessment of the Supply Chain Management and Problems of Agricultural Production Development and Marketing in Kazakhstan

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Abstract- The article deals with the supply chain management of development of agricultural production and marketing. At the same time, an assessment of the agrarian policy pursued is given, recommendations are made to solve the problems of agricultural production and the processing industry, and to improve agriculture in technical support. As well, the article examines the problems of production and sale of agricultural products, analyzes the effectiveness and disadvantages of the programs provided by the state to the development of agricultural production.

Keywords- agricultural production, agricultural products, supply chain management, plant growing, animal husbandry, technical support, industrial technologies, subsidies, economic relations, agro-industrial complex, farming system.

1. Introduction

Today, the agrarian sector of Kazakhstan is a fairly complex area that is influenced by natural, climatic, other autonomous and specific differences from other sectors of the economy, which naturally influence to the development of the entire agro-industrial production. At the same time, the agrarian production of the republic has significant potential for providing the population with basic types of food, increasing the productivity of plant growing and animal husbandry, ensuring full processing of manufactured agricultural products through the use of modern industrial technologies, which improves the financial situation of various small, medium and large agro formations. Given the importance of the problem of production and agricultural marketing, many agricultural scientists, as A.O. Abraliyev, G.U. Akimbekova, Ya.A. Aubakirov, R.R. Autov, V.M. Bautin, I.N. Buzdalov, V.N. Borozenets, M.Ya. Veselovsky, V.V. Grigoruk, G.A. Kaliyev, W.K.

Kerimova, O.E. Eskarayev, T.I. Espolov, S.U. Nuraliyev, O. Sabden, Sh.A. Smagulova, M.I. Sigarev, and others, have devoted their research to assessing the state of agricultural production, the formation and regulation of sales markets and the distribution of agricultural products, examining the economic fundamentals of marketing processes, assessing the experience of countries with developed market infrastructure, analyzing the state of Kazakhstan's food markets. However, despite this, the state of production and agricultural marketing does not yet meet modern requirements in the sphere of production and sales, it requires strengthening the role of state support and regulation of the production and marketing processes, based on the urgent tasks of rural producers. At the same time, the practical development of effective methods of production management and sales in the system of agricultural production, their introduction into the economic activities of agricultural enterprises - a long and complex process that requires specific approaches, recommendations and proposals in each specific region. In this regard, there is an urgent need to study and address a wide range of issues of the system of agricultural production, the formation and functioning of regional food markets, sales channels for agricultural products, the definition of rational and effective mechanisms and forms of their regulation and support. The lack of own financial resources, profits, loans, investments, and state financial support does not allow agroformations to carry out the reproduction process in terms of the principle of self-repayment and self-financing. On the other hand, state financial assistance provided to agroformations is not focused on taking into account the specific features of various branches of plant

growing, which leads to a massive approach to financing agricultural producers, not providing the principle of supporting the co-production of large-scale production and taking into account the strategy of export-oriented production of certain types of agricultural products. Along with this, the disparity in industrial and agricultural products does not provide the possibility of creating reserve, insurance and mortgage funds in large agroformations, which significantly affects the financial and economic activities of rural producers and their solvency and liquidity. In addition, the unbundling of former large agricultural enterprises led to the loss of a scientifically based systematic approach to agricultural production, disruption of many technological methods of tillage, non-compliance with certain crop rotations, exacerbated inter-sectoral economic ties, slowing down capital turnover and disruption of the internal balance between the main and additional sectors within the existing agriformations, which led to an extensive approach to the development of small and medium-sized, as well as some large agriformations. Despite the creation by the state of certain tools and levers of the economic mechanism of management, such as financial leasing, agroservice and others, most agroformations cannot successfully solve the economic and social problems of the village, form target programs for the development of production infrastructure, conduct an efficient and rational system for conducting agribusiness, use the principles of cooperation and integration in production and implement a targeted planned sale of agricultural products, which certainly determines the relevance and practical significance of the research topic.

2. Research methodology

Despite sufficient experience in the development of individual components of the production and agricultural marketing systems in Kazakhstan, the modern agrarian economy has not yet developed such a concept as “the system of production, processing and agricultural marketing” at the methodological level. At the same time, the lack of consistency and complexity, with a fragmentary study of the problems of this sphere, does not allow solving the urgent problems of the agricultural sector. The existing theoretical developments were created in the later years and do not meet the requirements of the modern

practice of the agrarian sector of the economy. The formation of a mixed agrarian economy, the diversity of forms of ownership, the liberalization of the economy have significantly changed the economic space of agricultural enterprises and the agricultural production itself. The theory of transaction costs, which determines the relationship of various market agents and is widespread in developed market countries, has also not created theoretical-methodological models for domestic agricultural production, which is completely oriented towards market relations.

Along with this, there is no generally accepted system of indicators of rationality and efficiency of production, economic and financial activities of agricultural enterprises in the country. In the process of measuring the effectiveness of the same measures, different methodologies are applied, sometimes unrelated and giving different results. In addition, the focus is on profitability indicators, which sometimes do not always reflect the real level of management and the same significance of efficiency. In a number of methodologies, the necessary comparability of indicators is missing, and the planned and reported performance indicators are differentiated. All this makes it difficult to give a comprehensive assessment of the effectiveness of the activity of agroformations and does not allow for a systematic analysis of various aspects of its operation. In this regard, in the system of production efficiency, the main (generalizing) and additional (differentiated), i.e. functional indicators characterizing a certain aspect of activity. Therefore, in the process of studying the assessment of economic efficiency, we used a system of complex, integrated, generalizing and functional indicators that allow us to identify reserves of efficiency and growth in the production and marketing of agricultural products based on the appropriate methodology for their calculation.

3. Results

3.1. Problems of assessing the current status of production and agricultural marketing

3.2. Theoretical aspects of assessing the state of agricultural production and agricultural marketing

In the early XX century, during the Great Depression of the 1930s, the theory of J.M. Keynes appeared, state regulation of the economy, which implied the impact on the economy to overcome the crisis. Subsequently, state regulation in economic theory identified the main directions of "neoliberalism" and "neo-Keynesianism." At the same time, economic management in the CIS countries, including in Kazakhstan through monetary methods, did not produce the desired result. On the other hand, the "neoliberal" reforms adopted by the IMF in Argentina, Brazil, Uruguay, Ecuador, Paraguay and others in Latin American countries led to a deterioration in the social conditions of the population and their discontent. At the same time, the experience of Norway and other Scandinavian countries shows the need to change production relations, in which the market plays a secondary role, while strengthening the role of the planned economy and public involvement, transparency of the state's distribution functions is achieved. With this approach, Kazakhstan can successfully solve its strategic goals in all areas of the economy [1].

It follows that at the present stage of development of Kazakhstan's economy, the role of state regulation of production and agricultural marketing should increase and attract the public, in which the interests of rural producers will increase and motivation to develop agribusiness will be provided.

Minimal government participation in the economy - the main requirement of classical liberalism. However, even supporters of this approach have questions about how minimal the government should be and how to measure the scale of the state, since the volume of budget expenditures or investments characterizes the quality indicators of the direction of government spending [2].

On the other hand, it is necessary to pay attention to various aspects related to government spending, which sometimes take the largest share in terms of the content of national companies, various government agencies and various funds to support rural producers, not to mention the increase in corruption, embezzlement of budget funds and the collusion of government officials that is becoming massively negative in many world countries in the context of the liberal model of market countries. Moreover, various international organizations do not give a real assessment of the negative developments taking place, sometimes they themselves are

interested in worsening the economies of individual world countries.

3.3. The current status of agricultural production and agricultural marketing

Over the past years, Kazakhstan has been conducting focused work on state regulation and financial support for rural producers, which are defined in the legislative aspect and implemented through various government programs. In particular, in 2012, the Government adopted the Program for the development of the agro-industrial complex in the Republic of Kazakhstan for 2013-2020 [3], which is a logical continuation of previously adopted programs and documents and serves as a vector of strategic development of the country's agro-industrial complex (AIC). The main acceptance of this program is on organizing the conditions for increasing the competitiveness of existing agro formations of AIC, which should be based on the functions of state support for entrepreneurs within the Eurasian Economic Union (EAEU) and practical accession to the WTO (2015). As a result of this target program, the agricultural production of the country is developing quite stably, although it is still impossible to achieve full returns from the production resources used by agro-formations, which leads to instability in the volumes of agricultural production, and this affects the results of the management of agro formations.

The development of agricultural production with the annual allocation of funds in recent years is becoming a trend of positive changes, which is associated with the adoption of a number of government programs with different directions. In addition, this sector is covered and classified in more detail by «State Program for Industrial-Innovative Development of the Republic of Kazakhstan for 2015-2019». The main goal, which is to stimulate diversification and increase the competitiveness of the manufacturing industry, although the manufacturing industry largely depends on the agrarian sector of the economy itself, which also requires development in the relevant areas in a clearly oriented form in accordance with the classification of the sub-sectors of agrarian production in agro formations and their development by criterion - the size of production. It should be noted that within the framework of this program sectoral development programs of the country's territories were developed for a 5-year period in order

to increase labor productivity and the export potential of the country. However, despite these measures in the regions, the adopted state programs do not have transparency in the financing and targeted use of budgetary funds, which does not allow controlling the targeted use of budgetary funds by the local executive.

Similarly, in the framework of the new economic policy of the country “Nurly Zhol” - the second five-year plan of the Industrial Development Strategy of Kazakhstan, in order to create a legal and regulatory framework for financing and implementing various instruments of state support measures in the country, amendments were made to the regulations in the field of AIC, on state management of organizations agrarian and rural areas, which allowed increasing state support measures and concentrating efforts on certain conditions manufacturers. The implementation of this state program “Development of rural territories” allows increasing the level of profitability of rural residents, solving the urgent social and economic tasks of these territories, increasing the availability of jobs and creating favorable conditions for the rural population. Along with this, in the future, the development of rural areas should solve a dual problem - the development of

agricultural production and the creation of social conditions for the local population.

However, studies show that despite financial support for agricultural production in the country has increased the number of the poorest segments of the population. The greatest social stratification was recorded in the East Kazakhstan and Karaganda region, as well as in the city of Almaty. Moreover, in 2017, the Gini coefficient in Kazakhstan amounted to 0.287%, which increased by 0.009% compared to 2016. It is noteworthy that this coefficient has not changed since 2014 and is almost close to the level of 2011. The highest value of this indicator in 2017 was recorded in East Kazakhstan (0.305%), Karaganda region (0.297%), Almaty (0.288%) and North Kazakhstan region (0.285%), and the lowest - in Astana (0.255%), South Kazakhstan (0.210%) and Mangistau regions (0.165%) [4].

As a result of the agrarian policy pursued in the republic, the sown areas of agricultural crops, their yield and gross collection increase, which affects the growth of the gross domestic product of the country, as can be seen from table 1.

Table1.Composition and structure of agricultural products of the Republic of Kazakhstan.

Indicators	Years				
	2013	2014	2015	2016	2017
Gross domestic product, million tenge	35 999025,1	39 675832,9	40 884133,6	46 971150,0	51566764,1
Including					
Agriculture products	2 940 723,1	3 133 198,4	3 295 159,7	3 669 122,2	4 085 483,4
The share of agricultural production to GDP, %	8,2%	7,9%	8,1%	7,9%	8%
Crop products	1 683 851,4	1 739 436,4	1 825 236,7	2 047 580,8	2 278 340,9
Livestock products	1 256 871,7	1 393 762	1 469 923	1 621 541,4	1 807 142,5

Note - compiled on the basis of information from the Committee on Statistics of RK

As can be seen from the table, the gross domestic product of the country increases from year to year and in 2017 amounted to 51566764.1 million tenge, which is 15567739 million tenge more than in 2013, or 43.2%. In the structure of gross domestic product, agricultural products in 2017 amounted to 8%, and in 2013, 8.2%, including crop products 4.4%, and livestock products - 3.5%. In the future, it is necessary to take into account the specific features of this industry, fully realize the existing potential of agro formations and determine state support for the development strategy for exporting agricultural support based on the relationship of the agrarian and industrial sectors of the national economy

when the degradation of the country's land fund is stopped.

For Kazakhstan, grain is a strategic product that ensures the country's food security. At the same time, grain exports constitute a large share of the export potential of Kazakhstan and the state is taking measures to increase it, at which logistics develops, infrastructure is created and terminals are built to expand exports to world markets. The republic is expanding production and other types of agricultural products, renewing fixed production assets, investment in fixed assets grows annually, and the financial position of agro formations is being strengthened. The share of agriculture in the country's

GDP over the past four years is no more than 5%. At the same time, Kazakhstan today is among the world's leading exporters of grain, wheat and flour. Kazakhstan produces an average of 18.0–20.0 million tons of grain with high-quality characteristics, which made it possible to take third place in the CIS after Russia and Ukraine. However, the state support mechanism for agricultural production should stimulate rural producers of small and medium-sized farms to expand the area under oilseeds and other crops, instead of wheat, which are in high demand in the market of neighboring countries like the Russian Federation and China.

Unfortunately, the selective redistribution of economic factors and resources to certain subjects selectively enables one to develop, while another takes away the ability to adapt to difficult market conditions, which leads to an increase in inequality and a deterioration in overall well-being. In this aspect, there should be a redistribution of resources from less efficient sectors of agriculture to more promising sectors, which will increase the competitiveness of production and provide a real solution to the problems of cooperation, integration and innovative development of inefficient industries and sub-sectors of agricultural production [5].

It should be noted that the state redistributes economic resources and factors unfairly and unreasonably, without taking into account the common interests and opinions of the “partners”, leaving aside the existing alternative views and actual needs of business representatives. Based on fair principles, the state, as equality of subjects and with exemptions, and access to opportunities, free choice of benefits and preferences should remove many problematic issues, as a result representatives of agribusiness will have more chances to expand their activities and develop competition. Changes in domestic conditions in the national economy or in its areas, correction of market conditions will adequately affect the market flows of resources, capital and labor, which, of

course, affect the structure of sectors of the economy. Regulation of inter-sectoral market distribution should not violate fair competition, it should be provided on the basis of the principle of equal and free access to economic resources and factors, in which priority should be import-substituting goods [6,7].

Despite the outlined positive trends in the development of the crop production, this sector still depends on weather conditions, and even the main sphere - the production of wheat has annual fluctuations, which is a consequence of the simplified technology of growing crops and low crop cultivation in some small and medium-sized farm forms. Similar farming practices are also observed in irrigated agriculture, where the costs of production are often not covered by the products sold without subsidies received. Therefore, many agro formations of plant growing are forced to increase crops to cover costs incurred and profit [8, 9, 10].

For the development of animal husbandry is important the presence of livestock of certain breeds of cattle, which creates opportunities for increasing the production of animal products and meet the needs of the processing of agricultural products, as well as ensure the reproduction of the herd on the basis of targeted turnover of young animals. And the largest part of the livestock of different types of cattle today is privately owned by citizens of rural areas. At the same time, the principles of cooperation in this area do not give the desired results, which does not create opportunities for the use of cooperative types of farms. At the same time, in some regional centers of republic there are no areas of processing and production of milk and dairy products, which requires strengthening the role of public-private partnership as one of the ways to implement state programs for the development of agricultural production, in particular livestock. The results of the implementation of various state programs to support and develop agricultural production are clearly visible from Table 2.

Table2. Production of the main types of agricultural products and livestock in the Republic of Kazakhstan.

Indicators	Years				
	2013	2014	2015	2016	2017
Production of main types of agricultural crops, thousand tons					
Cereals, including rice and legumes	18 231,1	17 162,2	18 672,8	20 634,4	20 585,1
Sunflower seeds	572,7	512,8	534,0	754,9	902,6
cotton	396,7	320,7	273,9	286,7	330,5
sugar beet	64,6	23,9	174,1	345,0	463,2
tobacco	2,7	1,6	1,4	1,0	1,1
potatoes	3 343,6	3 410,5	3 521,0	3 545,7	3 551,1
vegetable crops	3 241,5	3 469,9	3 564,9	3 795,2	3 791,1
Livestock and poultry stock at the end of the year, thousand heads					

cattle	5 851,2	6 032,7	6 183,9	6 413,2	6 745,4
sheep and goats	17 560,6	17 914,6	18 015,5	18 184,2	18 300,6
pigs	922,3	884,7	887,6	834,2	819,4
horses	1 784,5	1 937,9	2 070,3	2 259,2	2 395,0
poultry, million heads	34,2	35,0	35,6	36,9	40,1

Note - data from the Committee on Statistics of the Republic of Kazakhstan

As can be seen from the table in 2017, the production of cereal crops, including rice and legumes, amounted to 20585.1 thousand tons, which is by 2354 thousand tons more than in 2013, at the same time by 49.3 thousand tons less than 2016. Positive is the dynamic growth of the gross collection of seeds of sunflower, sugar beet, potatoes. For other types of agricultural crops, such as tobacco, cotton and vegetable crops, growth instability is observed, which is based on the economic conditions and the availability of material and technical resources. In the field of animal husbandry in the country, there has been a dynamic increase in the number of cattle, sheep and goats, horses and poultry, but at the same time the number of pigs has decreased in the number of animals in recent years.

3.4. Consolidation of organizational and legal forms of management - the basis for increasing the export potential of agricultural enterprises and the efficiency of agricultural production

At present, the development of large forms of management is not properly carried out in Kazakhstan's agriculture, which should guarantee the provision of the planned volumes of food. The development of cooperation and integration between the spheres of agrarian production is also influenced by the lack of a development strategy for a distant future. Today, a strategic plan is drawn up for five to seven years, although it would be a rational term of ten years. The definition of a ten-year term serves as a forecast for the development of various branches of agricultural production, and allows you to regulate and redistribute funds into problem areas. At the same time, the main task should be the development of large-scale commodity production, which is defined by the Law of the Republic of Kazakhstan "About Agricultural Cooperatives" adopted in October 2015, designed to become a tool to improve the efficiency of agribusiness. Unfortunately, as practice shows, despite the annual allocation through state support of the sphere of agricultural production, while many peasant and private farms and cooperatives are unpromising, due to the low

technical equipment of their main and working capital. For example, in 2017 alone, the state allocated 25 billion tenge to support agricultural cooperatives. However, studies show that of the created 851 cooperatives, only 491 are equipped with the necessary equipment and agricultural technique. At the same time, the planned macroeconomic indicators of agricultural production for a number of types of products were not met, especially in the livestock sector. Along with this, today agricultural cooperatives have difficulties with marketing their products, lack of specific knowledge in the field of technology and safety of products, which requires restoring the basic principles of cooperation at the vertical and horizontal levels, combining professional peasant and private farms, and not individual subsidiary farms.

One of the goals of livestock development in Kazakhstan is the creation of clusters, the introduction of more efficient loading mechanisms for large processing industries, such as meat processing plants, oil extraction plants, feedlots and dairies. In this aspect, a single chain of the production process should be developed on the basis of an appropriate mechanism of economic relations, where a variety of organizational and legal forms of management should be based on a fair share of profits. Moreover, prices for relevant products transferred from one production to another should be determined by means of established transfer prices based on their cost of production.

The difficulties of enlarging commodity production also apply to the dairy complex, where the special equipment purchased is idle or is not used at full capacity, due to a shortage of raw materials. For example, in the Akmola region not prospective with low technical equipment, without fixed assets and working capital, farms cannot pay for borrowed funds received from credit unions. In this area, 46 cooperatives have been established, of which 11 are meat and 35 dairies. On credit funds, 23 modular milk collection points, 1 slaughter point and 10 milk tankers were purchased. However, the raw material base is insufficient in Kazakhstan, which leads to downtime of processors, and personal subsidiary

farms of citizens only attract interest in the allocated subsidies. And the subsidies in the amount of 10 tenge for each liter of milk delivered are not all, as not everyone in rural areas has personal subsidiary farms. Thus, the cooperation at the expense of the interests of personal subsidiary farms in rural areas does not ensure the rationality and effectiveness of the entire system of subsidizing the livestock sector [11].

Studies show that in the Kostanay region, where the agricultural direction prevails, they have created five new clusters in the field of agro-industrial production, such as a meat processing plant, an oil extraction plant, a feeding platform, a dairy plant and the uninterrupted production of high-quality meat. However, in essence, these clusters are still under discussion. Only two clusters are not working at full capacity due to a shortage of raw materials. Increasing the capacity of the feedlot in 2018 to 14 thousand heads, and by 2020 up to 20 thousand heads of a one-time finding of cattle allow to concentrate this area on the development of industrial production for the processing of agricultural products. Today, one of the burning problems are poor-quality products, fictitious agricultural cooperatives, and low labor productivity. Along with this, the issues of evaluating the agrarian policy being pursued should be resolved by creating appropriate indicators and criteria that determine the real state of the implementation of state programs [12, 13, 14].

A similar situation is observed in other sectors of agricultural production in all regions of the country, where clusters are essentially at the idea stage, although sometimes representatives of local executive authorities indicate their effective functioning, during which financial investments in the form of subsidies increase from year to year, but in reality there is no complete processing of manufactured products.

In the Almaty region, as in other areas of South Kazakhstan, there are good opportunities for increasing the production of potatoes. However, for example, today, the area under potato in Raiymbek district decreased four times against previous years, the situation with sugar beet, fruit and vegetable crops is no better. Moreover, with irrigated agriculture in these regions it is possible to get good yields of agricultural crops. The development of elite seed production on the basis of the acclimatization of

the best foreign potato varieties allows to obtain the yield of products of this crop in the range of 40-45 tons per hectare. At the same time, local varieties of potatoes yield only 27-28 tons per hectare [15, 16, 17].

Implementation of state programs in the development of potato should be carried out on an industrial basis, only then can the needs of the domestic consumer market be fully met.

In the field of animal husbandry of the republic, there should be real approaches to cooperation between peasant and private farms, in which the state, in the first place, should provide financial assistance for the growth of brood stock, as well as the preservation and increase of commercial and pedigree livestock, i.e. the priority of state support should ensure the preservation and increase in livestock numbers based on the requirements of pedigree and zoo-technical accounting and farming. In this aspect, strengthening of primary zoo-technical accounting and the entire system of both financial and zoo-technical reporting is required. The government should provide subsidies only through strict control of the presence of livestock, including the preservation and increase of breeding stock. Unfortunately, in some regions of the country, replacement of rejected breeding animals with commercial cattle is observed, which affects marketable products when purchased by farmers and peasant farms in other regions. On the other hand, it distorts the real situation in the livestock sector.

Studies show that for a long time a solid level of state support in the form of subsidies, concessional lending, preferential taxation and the provision of services has been provided for agricultural production. As a result, in 2017, the volume of aid to agriculture amounted to 260 billion tenge, but at the same time, the contribution of agriculture to GDP only reached 4.7 percent. On the other hand, the efficiency of using the funds allocated by the state to solve problems of the AIC does not always reach the solution of technical support for this industry. Today, over 86 percent of tractors, 72 percent of harvesters have been in operation for over ten years. The level of renewal of the machine-tractor fleet is 2 percent, although its optimal level should be 6-8 percent. Moreover, the used agricultural machinery represents various models. In this aspect, it is necessary to determine the model of the machine-tractor fleet in the CIS countries and far abroad. Along with this, it

is necessary to link some dual-purpose tractors that are used in agriculture and in the communal sphere. The Ministry of Agriculture should develop a strategy for the development of the machine-tractor fleet, in which the agroleasing system should clearly work out these developed requirements. The experience of neighboring Russia shows that in the agriculture of this country half of the tractors of its own production are used. In the Republic of Uzbekistan, their own production is 80%, Belarus - 90%.

The market of agricultural machinery in 2017 is about 100 billion tenge, of which domestic production - 20 percent. It should be noted that domestic appliances are 12 percent more expensive than imported ones, which requires the improvement of tax legislation in this area. The development of production of our own agricultural engineering is one of the main criteria for reducing the cost of domestic production. Therefore, for the sustainable development of the agricultural sector, it is necessary to ensure an integrated and systematic approach to the adoption of state programs and determine the solution of problems, taking into account all the components of the agro-industrial complex [18-21].

4. Discussion

It should be noted that the majority of research on agricultural production, marketing of agricultural products produced consider only the organizational and economic forms of interaction, the volumes and proportions of distribution and exchange, the mechanism for making deals, although this process is closely related to other economic processes, characterized by a systemic origin and manifestations require an integrated approach to the study. The subject of discussion should be not only organizational and legal, economic, but also technological, technical and organizational approaches with the disclosure of the essence of the components, industry specifics, interests of owners and the state, principles of operation and development prospects, inter-sectoral interaction, association of enterprises in the context of activities [22].

In this aspect, it is necessary to define various forms of cooperation implementation without singling out any one of them, take into account the features of

integration and cooperation, which contributes to the integrated unification of rural producers. At the same time, processing industries mainly arise as an alternative to the processing sectors against the background of imperfect inter-industry relations, and the destructive nature of these industries largely determines the nature of their functioning. At the same time, it is necessary to identify priorities for the development of prospects for various industries and sub-sectors in the system of agricultural production management, determine the territorial and industrial division of labor, taking into account the development of the agrarian economy of the regions of the republic, create models of agro-industrial integration and mechanisms for their functioning, which will allow to realize organizational and economic potential in certain business conditions and increase the export potential of the country. Today, the prices of agricultural products on the market are the determining and limiting factor in the formation of prices for the stages of production from the manufacturer to the retail trade. In this aspect, it is necessary to maintain a pricing model for participants in the joint activity process, which will increase the interest of rural producers. On the other hand, the lack of sales opportunities for manufactured products often leads to the generation of income not by producers themselves, but by various intermediaries participating in the process of marketing products. Issues of distribution relations need to be addressed on the basis of cost and regulatory approach All this requires the development of a strategy for the development of agriculture and the formation of organizational and economic approaches to various spheres of activity based on taking into account various features of production. Despite the presence of many different methods in terms of distribution relations between integration partners, they have not been widely used, which affects the activity of agro formations of various branches of agrarian production.

Despite the financial assistance provided by the state to rural producers in Kazakhstan there is no targeted and purposeful use of financial resources, which has an impact on the efficiency of production and agricultural marketing. Sometimes it is possible to observe the embezzlement of budget funds aimed at supporting agriculture by officials of different levels, which requires openness and transparency of

reporting of various funds to support agriculture, strengthening the responsibility of the heads of these structures and functions of the state audit, tightening of the legislation. In addition, it is necessary to improve the mechanisms of economic relations between the structural institutions of financial support and rural producers.

5. Conclusion

Research on the development of the agricultural sector in Kazakhstan shows that selective redistribution of economic factors and resources to certain subjects selectively allows one to develop, while another takes away the ability to adapt to difficult market conditions, which leads to an increase in inequality and deterioration in the general welfare of the population. In this aspect, there should be a redistribution of resources from less efficient sectors of agriculture to more promising sectors, which will increase the competitiveness of production and ensure in reality the solution of problems of cooperation, integration and innovative development of inefficient industries and sub-sectors of agrarian production.

The government annually allocates large financial resources in the form of subsidies to support the agrarian sector, which does not ensure the return of the invested funds in full. At the same time, it is necessary to provide financial support in view of all aspects of economic management and economic relations between all areas of the agro-industrial complex. As a result of the lack of purposeful agrarian policy in the country, domestic producers of agricultural machinery are not supported, as a result, only 20 percent of domestic agricultural machinery is used in the country's agriculture.

The measures taken in the republic to unite peasant and private farms, personal subsidiary farms in reality do not fully reflect the principles of cooperation that should encourage rural producers to increase agricultural output, and not receive only subsidies under the form of cooperative forms of farms. At the same time, such work should take into account the specific features of various branches of plant growing and animal husbandry.

In the field of livestock today, various state-funded facilities for processing livestock products do not ensure the completeness of the work of processing

enterprises, which is associated with a shortage of raw materials for processing. Therefore, when implementing the strategic goals, it is necessary to develop an effective mechanism of public-private partnership that will ensure the implementation of all adopted government programs and improve the competitiveness of agricultural enterprises. Considering the lack of development of the evaluation of the agricultural production and marketing system in rice production, we are planning to determine the estimated criteria for the development of Kazakhstan's regions, ways to improve the efficiency of functioning of the agricultural production and marketing systems based on the use of agro-industrial integration, to develop a model of organizational, economic, legal, technological and technical aspects of management.

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