Ensuring food security of the Republic of Kazakhstan as a fundamental of modern agricultural policy

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Abstract

The problem of food security is the top priority of the economic policy strategy of any state, the effectiveness of this solution influences social, political, and ethnic stability in society. Food security and nutrition is everyone’s business. Food security exists when all people, at all times, have physical, social and economic access to sufficient safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life. By analysing the existing legislation in the area of food security, the author identifies weaknesses and gaps, suggesting ways to improve it.

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Introduction

The problem of food security is the top priority of economic policy strategy of any state, the effectiveness of the solution of which depends on not only social but also for the political and ethnic stability in society. Food security, as an integral part of national security also depends largely on government resources, which is designed to

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prevent an imbalance in the market, production and the social environment of the state. Formation of public resources for all types of food products, state reserves of grain and other strategically important agricultural products in the right quantities, depending on the needs of the population is able to ensure food security.

In terms of the global financial crisis, which affected also to the agricultural sector of the economy, such occurrences are an apartment threats to global food security, which requires a reform of existing and development of new mechanisms to ensure it at the international and national levels. Economic, political, and social security in the modern world is based on three different aspects of security pertaining to food, energy and financial. According to the UN of more than 925 million people in the world suffer from hunger. This represents 12.5% of the population of the world (one in eight people). Of these, the vast majority totaling 852 million people live in developing countries, where 14.9% of the population undernourished. The number of hungry people in the world is still unacceptably high. Given the current rate of population growth, global food production must increase by 70% by 2050, while the population of the world by this time will be 9 billion people (Yevgeniya Serova).

In addition to improving the timeliness and accuracy of the estimates of the scale of hunger, it is necessary to examine the question of the fact that malnutrition is not only a shortage of calories from food. There is a growing awareness that hunger is a complex phenomenon. This issue requires a multi-faceted concept and a holistic set of indicators that reflect the multiplicity of symptoms and the effects of malnutrition (FAO Headquarters, 2011).

Global experience shows that the problems of food security arise, in particular, because of the lack of development of local agricultural production, low level of economic development of the country: food is not available to the population at the prices at which it enters the market.

In this regard, the Food and Agriculture Organization of UN (FAO) has developed international obligations to ensure food security in the world. In 1996 at the World Summit on Food problems adopted the Rome Declaration on World Food Security. In this declaration, food security is defined as "the condition of the economy in which the population of the country in a whole and each citizen is guaranteed access to food, drinking water and other food products in quality, variety and volume of necessary and sufficient for the physical and social development individual health and the expanded reproduction of the population" (Kirishke, 2006).

In the Republic of Kazakhstan at the present time the main task in ensuring food security is to stabilize domestic agricultural production through increased productivity and profitability of the agricultural sector's branches, with effective government regulation.

The national interests of the Republic of Kazakhstan in the agriculture sector include: ensuring the necessary amount of own food producing, and maintaining the state food reserve at the normative level; ensuring the quality of producing and selling products to food quality and safety standards, ensuring the necessary subsistence wage, and a decent standard of high quality healthy living; expansion of competitive food products' production with a focus on exports, the state control of the food market (including accounting and control of production, internal and external supply, stocks of food).

In the agriculture sector of the country are created the basis of competitive products, developed resistance mechanisms of food security.

There are a number of definitions of food security in overseas, where the problems of international and national food security have become the object of attention in the 70's years of the 20th century. With some differences in approach among countries common to all is the requirement to maintain a situation in which all members of society actually use the right to adequate food or food resources in order to preserve the health and activity. In addition, it is noted that food security is defined as the macroeconomic situation, the efficiency of social production, population's income, and development of the national agriculture sector of the economy (Kirishke, 2006).

The most common definition of food security is as the ability of the state to guarantee the satisfaction of the population's needs with quality food at a level that ensures normal functioning. At the same time, in some publications the issue of food security is actually reduced to the problem of the country's food self-sufficiency and, as a consequence, to the condition of the domestic agricultural sector and the level of agricultural protectionism. However, food security is defined not only by these factors, but also with the overall economic situation in the country. Large portions of poor in a population are unable to purchase affordable food in the required volume for normal life and have a negative impact on the quality of food (the structure of the diet). Weak real demand of the population limits the development of national food production opportunities. National security is one of the main functions of the state. Food security, in turn, is an essential component of the national security of any country. Food security is the most important component of the economic security. The importance of food security is stipulated
with the role of food supply for maintain social and economic stability in society. It is also important physical and economic access of food for the population, the level of consumption, the quality and structure of the diet, the quality of food. Equally important are issues of food self-sufficiency in the country, regardless of the imports of food products, the formation of the state food reserves for emergencies e.g. natural disasters, armed conflict, epidemics. This would provide food aid to the poor. Equally important issues are self-sufficiency of the country with foods, independently from the imported food products, the formation of the state food reserves for emergencies and to provide food aid to the poor segment of population. Thus, food security is conditioned by the level of economic development of the country as a whole and the agriculture sector, in particular social, agriculture and foreign policy of the state, and also depends on the availability of an effective system of food quality control (Zinchenko A., 2004).

Food security should be considered in terms of the reliability of the food supply for the population (the stability of the formation of food supply and consumption), and also in terms of maintaining the internal and external national interests and sovereignty of the country in the food sector (avoiding critical dependence of Kazakhstan from foreign countries or communities in the issues related to food, protection of the economic interests of domestic consumers and producers, to ensure their interests). In addition, there is another aspect of food security, it is the willingness of the state to the prevention and elimination of the system of providing the population with food, conditioned with food emergencies (Kirishke, 2006).

Food security is ensured in the country if its economy is made not less than 80% of the food consumed, or when a country specializes in the production of products, the export of which allows it to receive a positive balance of trade on food. Food security is provided if, in the production of the required amount of food there is an additional production in the amount of safety stock to make up for 60 days or 17% of annual consumption. When certain kinds of food are not produced in the country or their production is limited, the need is ensured by purchasing in other countries. It is also important to prevent the occurrence of food, political or otherwise dependent on the exporting countries of the missing food.

A key role in ensuring food security play measures aimed, first, to ensure the growth of real incomes, improving its standard of living; secondly, the sustainable development and operation of the agriculture sector of the state economy; thirdly, on the effective regulation of trade in agricultural products, raw materials and food, and foremost all its imports, in order to protect the domestic food market, the economic interests of domestic producers from unfair competition. Herewith, the development of the agriculture sector has to be one of the main priorities of state's social and economic policy, as a reliable food supply of the population can not be sustained without a functioning of agribusiness complex and the food market.

Under this framework, agriculture policy should include the following:
- Government support and regulation of agricultural production, the adequate conditions of a market economy
- Improvement of the financial and credit system of agriculture, to optimize taxation of agricultural producers, their financial recovery
- Government support of effective investment activity, modernization of the economic conditions of agribusiness producers' material and technical supply
- The further development of the legal system of land relations' regulation, the continuation of institutional change
- Adaptation of control systems at all levels of agriculture to modern requirements
- Improvement of customs and tariff policy in order to protect the domestic food market from unfair competition
- The maintenance of a sound protectionist policies, promote the export of agricultural products, raw materials and food
- Government regulation of the domestic food market through purchasing and commodity interventions, establishment of an operational reserve of agricultural products, raw materials and food, support the development of infrastructure for the food market, and above all its wholesale level, ensuring equal market access conditions for all businesses agriculture sector, to prevent the establishment of inter-regional trade barriers
- The development of the targeted food assistance to the most needy population and the organization of an integrated comprehensive analysis of the assessment of the food security - "Food monitoring" of the population
Harmonization of national standards, standards of quality and safety of food products to the international standards and norm which stimulate the transition from the production of "impersonal" food to production of domestic food products under the trademarks that will improve the quality and competitiveness of Kazakh producers' products (Abalkin, 1994).

No less of a problem is entering of imported products to the domestic food market, which do not always meet the requirements of quality, adequate shelf life and safe for health. Meanwhile, the quality of such products due to the low purchasing power has great demand. Often, these products are made from genetically modified raw materials. All of this contributes to poor health of the nation.

The presence of these factors is caused, first of all, due to inefficient system of state control and supervision over the quality of food. (Kirishke, 2006).

In Resolution of Sanitary and Epidemiological Service Board of the Republic of Kazakhstan, dated March 16, 2006, is said that there was no complete and reliable sanitary-hygienic evaluation of food items in the republic in 2005.

In 2012, Sanitary and Epidemiological Service did not achieve alignment of requirements at 2088 objects of trade and public catering, 81 market, which leads to the production of unsafe health food products and increasing evidence of group food poisoning.

It is noted weak control under imported food products, baby food; there is practically no control over genetically modified food, food additives, and colorants, nutritional supplements, which enter the country. This requires the establishment of a food security system by functional indicators of food quality that avoids the risk of low-quality products' entering.

In general, it should be noted that food security in the Republic of Kazakhstan partially achieved:

- Physical access to food has not reached the international level, which is accepted by international food organization, which is 84%. The country's population is provided with food of domestic production by about 80%;
- Affordability of food is not provided enough by straight-line section of social groups and territories. The prices of products are available for main multitude of the working population of the country;
- Eco-friendly and healthy food made up only half of the market;
- Production capacity in the country allows increase food production (Abalkin, 1994).

Implemented activities in the country for improving the socio-economic development are still unable to solve the problem of a complete food security. As of today, food security in Kazakhstan mainly depends on the solutions of problems in the agricultural sector.

In general, the challenges to the agricultural system are due to the following problems.

1. The low level of industrial recast and underutilized capacity of recasting enterprises.

   About 80% of agriculture production is realized in the form of raw material without recast, and finished products have a weak competitive position due to technological backwardness of recasting enterprises.

   It is difficult for Kazakhstan to compete in the domestic market, and even more on the outside with current commodity. The absence of comprehensive structural reforms, which is designed to shift the vector of agriculture development from the strategy of raw material orientation to the strategy of agriculture complex's development based on industries with high value and downstream recast, threatens the country by reinforce the status of the agricultural sector as a net importer with a low share of the final product on the world market.

   Therefore it is necessary to strengthen the work on the projects for the diversification of Kazakhstan's agricultural sector through cluster development. According to the Ministry of Agriculture of the Republic of Kazakhstan, it is currently being evaluated for the competitiveness of existing and potentially perspective sectors of Kazakhstan's agricultural sector and make recommendations for their development.

2. Insufficient competitiveness level of the food, produced in the country

   According to experts, the food products of domestic manufacturers in multitude inferior to foreign analogues in a number of characteristics: Quality, Price, Product range, the quality of manufacturing and design of packaging

3. Insufficiently implemented state support of agriculture

   Kazakhstan, like any other country with transition economy, is much more suffering from a lack of institution's development: the credit system, the insurance system, the export infrastructure are not developed, there was no system of consulting services for the agriculture.

   It is considered the funding of the agricultural sector for solving these problems within the framework of the developed documents, in particular the "Concept of sustainable development of agriculture of the Republic of
Kazakhstan for 2006-2010”. The results of these activities’ implementation can be expected in the medium term.


Thus, almost 76% from the 1928 operating food standards in the republic are outdated and need to be replaced.

Food raw materials and food industry products are produced according to the standards, which were originally established with simplified technologies.

As a result, receiving products differ by low consumer properties. In addition, there is a risk of insecurity from penetration of genetically modified and low-quality products from abroad, because today there are practically no modern laboratories and equipment for detecting them. In particular, it is impossible to determine the exact composition of fruit juices, and imported potted meat is mostly made from genetically modified raw materials.

5. Insufficient implementation of innovations in agricultural production

The volume of financing on agricultural science in recent years is only 0.24% of the gross domestic product of agriculture, which is extremely inadequate for the innovative development of the agricultural sector of the country.

In addition, agricultural scientists of Kazakhstan have scientific projects, based on the ideas and projects of many years research, but the problem is their introduction into production.

The solution of this problem in the Republic is provided within the framework of the State program of science development from 2007-2015. It is directed on establishing a new model of scientific development, ensuring efficient creation, support and use of new knowledge.

The solution of food security problems in the Republic of Kazakhstan requires improving a number of state mechanisms. These issues are important to consider in relation to the agribusiness complex and, to the state policy of regulation the control over the food quality, and to the improvement of regional policy in the sphere of food safety.

In this regard, it is appropriate to adopt a set of concrete measures by a number of key directions:

1. Improvement of regional policy in the sphere of food safety

It is important to take measures for intensification of regional targeted programs for provision food security, taking into account the conditions of the region.

It is appropriate for accomplishment this direction:

- Creation of government's bodies structure, which is responsible for ensuring food security of the regions, the definition of the objectives and tasks of these bodies associated with the provision of their territories with food and agricultural raw materials (also in terms of crisis)
- Organization of the objective comprehensive analysis and forecast of the food situation in the regions, i.e. monitoring the economy from the point of food security, which should be conducted using recognized criteria and parameters for its measurement
- Correcting the policy of subsidizing food for the socially unprotected levels of the population in the regions. In this regard, for example, it is proposed to establish a system of state social food aid to low-income citizens and families with many children
- Formation of regional specialization. Thus, the development of fruit and vegetable industry should be concentrated in Almaty, Zhambyl and South Kazakhstan regions, sugar - in Zhambyl and Almaty, grain recasting - in Akmola, Kostanai and North Kazakhstan, milk - in Kostanai, Almaty, Karaganda, East Kazakhstan, fish - in Atyrau region (Abalkin, 1994).

2. Enhancement the institutional support.

At present, the functions of state control and supervision over the quality of food are "sprayed" between the State Sanitary and Epidemiological Service, the State Veterinary Service and the State Standard bodies of Kazakhstan. Herewith, there is an unjustified duplication of functions and activities of these structures.

This creates administrative barriers for domestic producers and leads to increasing of consumer food prices, as well as blurs responsibility for achieving the final result - ensuring food safety for population health and life (Bistrova, 2000).

Therefore, in anticipation of Kazakhstan's accession to the WTO, it is the topical creation of the Administration of Food Safety and Inspection for ensuring concrete coordination of offices to develop standards with the agencies responsible for enforcing them.

Herewith, it is appropriate to give this administration the power to control the management of the production and sale of food products in the country, up to a total ban the sale of products and its confiscation judicially, the right to argue stimulation of a criminal case against the individuals and entities, to enter into the judicial authorities
with a proposal to ban judicially production and sale of certain products (mislabeling of products, providing falsified documentation, etc.).

3. Formation of production chain agribusiness clusters.
At present, the actual value is the creation and development of the following clusters: grains, fruits and vegetables, sugar, dairy and fish.

These directions can become new points of economic growth of the country's agricultural sector.
In particular, favorable conditions are formed in Almaty, Zhambyl and South Kazakhstan regions for creation fruit and vegetable cluster. Sugar clusters are appropriate to establish in Zhambyl and Almaty regions. Their operation will enhance the competitiveness of the sugar beet and products of its recasting.

In the major agricultural regions of the republic, particularly in Akmola, Kostanai and North Kazakhstan regions, the actual importance is the establishment of export-oriented grain recasting clusters, which will contribute to the cultivation of high-quality varieties of wheat and other grains.

It is important the formation of a competitive export-oriented dairy cluster in Kostanai, Almaty, Karaganda and East Kazakhstan regions.

Fish clusters are appropriate to form in Atyrau region, which will increase the development of highly productive commercial fish farming of the country.

Effective usage of state support for producers
It is important to take measures to strengthen the principle of "the allocation of budgetary resources to efficiently working farms." Resources of subsidies, concessional lending fund and leasing fund are advisable to send predominantly to strong farm, which are economy capable to ensure their return.

The support of the weak farm by the state authorities should be done by active participation in the development of complex projects of their financial improvement and modernization of production.
This system should be called as contractual, because the funds will be provided based on the participation in the implementation of developed projects (Burdukov, 1999).

The main source of budget finance support should be the funds, which are provided by exports, it is basically non-food group. Traditional positions of Kazakhstan's exports are mineral products, which take 73.8%, among which oil and natural gas take main part. All this determines the improvement of mechanisms for the use of oil revenues that should be directed at supporting the development of agriculture (Kirishke, 2006).

4. Enhancement the regulatory and legal support.
It should be noted that in the developed countries for ensuring food security are adopted special legislation.
In Kazakhstan, at the present time in this area it is being done a great job. For example, in the Republic, it has been adopted new laws to protect the domestic market of Kazakhstan; production of agriculture products according to world standards; protection of breeding achievements; standardization; amended the Customs Code and others.

However, these laws have not really directly related to food security. Therefore, there is a need to define legally a number of concepts that directly reflect the problem.
In this regard it is necessary to develop a law "Food Security in the Republic of Kazakhstan."

5. Enhancement the system of economic relations.
First of all, it is necessary to ensure the improvement of the system of economic relations in the sphere of production, procurement, primary and deep recasting, storage, transportation and sales of agricultural products. It is required institutional changes; in particular, need to stimulate the transition of agriculture small-scale production to the system of specialized medium and large scale production, which is a condition of transferring stock raising production and crop production on an industrial base. With the aim of revitalizing the demand of the population and improve the competitiveness of domestic food production in the domestic and foreign markets, it is required to achieve an optimal combination of price regulation by government and market for agricultural products, it is needed government support for incomes of agricultural producers on the basis of regulation the prices' parity for agriculture and industry products, and also abandoning the practice of underfunding vital expenses and introduction the system of minimum guaranteed prices. With the same goals are done measures such as the use of flexible taxation of agricultural producers, tax relief to those producers who have invested in the development of priority sectors and products, or adhere to the principle of sustainable development of production in compliance with environmental regulations.

In foreign markets it is required a moderate protectionist policies for protecting the interests of domestic producers through timely excitation of anti-dumping and compensation proceedings against foreign producers engaged in unfair competition (FAO Headquarters, 2011).
6. Improving the competitiveness of products

At the same time, to improve the competitiveness of domestic products in the world markets it is required modernization and technical upgrading of the processing industry, the introduction of advanced technology and quality management systems (ISO 9000, ISO 14000), the creation of a data bank of innovative projects and advanced technologies in the agriculture complex, and periodic reporting it to members of the food market. It is necessary also immediate measures to stimulate imports of machinery and equipment, resources of production for advanced industrial technologies consigned for agribusiness, patenting and licensing activities in this field. At the same time, these measures should be accompanied by a consistent policy of import substitution, reduction of import of those foods that can be produced in Kazakhstan; a regulation of imports by main strategic types of food: grain, meat, milk. Ultimately, the conditions should be created for domestic food's output to foreign markets, including by promoting the export of grain and products of its recasting. With the implementation of these tasks, it is required protection of the population from poor quality foods by improving the work of the Standardization and certification of products and the development of national standards for basic foodstuffs in order to harmonize them with the international standards (Kirishke, 2006).

7. Enhancement of credit access

For the development of agribusiness complex of Kazakhstan may also contribute the improvement of credit relations systems, the development of equipment leasing, as well as a number of measures aimed at improving the infrastructure of agricultural production. For solving above problem it can contribute the establishment of municipal wholesale food markets in the major cities; creation an extensive network of procurement centers in rural areas; improvement the system of the human, scientific, legal and information support for agriculture businesses; constant monitoring of the domestic food market and food security in Kazakhstan, development mechanisms of social control under expedience imports and qualitative characteristics of imported foods.

8. Rational distribution of production

Particular attention should be paid to the rational distribution of production, in particular, the problem of effective usage the different soil-climatic and economic areas of the country in view of the deepening its specialization and creation on this basis specialty food zones.

It is required rational distribution across the country recasting enterprises of raw materials and agricultural products as close to their places of production, expansion the practice of enterprise, shops and manufactures' establishment directly in the farms.

In some cases it will need measures of direct state regulation, for example, the implementation of targeted programs to restore the production of sugar beet, oil seeds, oil, meat, milk and baby food, the stabilization of the food market through the organization of purchasing and commodity interventions.

Overall, these measures will help to increase the investment attractiveness of the agricultural sector, improve its efficiency, which will have a positive impact on food security and the macroeconomic situation in the country.

Thus, ensuring the food security depends on the development of own food base, the effective functioning of the agribusiness complex, level of support for domestic producers of agricultural products, the effective implementation of social policies to increase population incomes, etc.

Specification of the agribusiness complex's functioning, ensuring of food security require such agriculture policy in which government regulation and government support should play a greater role than in other sectors of the economy (Kirishke, 2006).

As of today it is achieved some positive results in the context of the creation of conditions to ensure food security in the Republic of Kazakhstan.

However, to achieve full food security in the country is not yet possible. In many ways, this is due to the fact that food policy was considered separately in relation to agriculture and food industries. In the current circumstances, there is need for a comprehensive review of agricultural policy, population’s incomes policy, the development of infrastructure, food, etc.

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