Diversification and food export potential in irrigated areas of Central Asia: South Kazakhstan & Samarkand regions

Shavkat Hasanov
Content

• Description of agricultural development in South Kazakhstan and Samarkand provinces:
  • Changes in cropping pattern
  • Speed and manner of land reforms
  • Evolution of new private farm sector
  • Contribution of different producers in main crop produce

• Observed patterns and emerging issues

• Experience of Samarkand province
Changes in cropping patterns

South Kazakhstan

Samarkand

Crop area:

Differences in trends:
Cotton
Wheat
Fodder

Similar in:
Vegetables & fruits

Crop area:

Differences in trends:
Cotton
Wheat
Fodder

Similar in:
Vegetables & fruits
Size and number of newly established farms

South Kazakhstan

Samarkand

Smaller farms in South Kazakhstan (<10 ha)
Share of different farm categories in...

**South Kazakhstan**

**Sown area:**
Dominance of individual farms and enterprises

**GAO:**
Dominance of individual farms and households

**Samarkand**

**Sown area:**
Dominance of households and individual farms

**GAO:**
Dominance of individual farms and households
Contribution of different farm categories to output

South Kazakhstan

Cotton

Wheat

Vegetables, melons, fruits

Samarkand

0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%

Enterprises  Farms  Households

0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%

Enterprises  Farms  Households

0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%

Enterprises  Farms  Households
# Agricultural change in comparison

<table>
<thead>
<tr>
<th></th>
<th>South Kazakhstan</th>
<th>Samarkand</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Land tenure</strong></td>
<td>Long-term lease of state land, private ownership</td>
<td>Long-term lease</td>
</tr>
<tr>
<td><strong>Farm restructuring</strong></td>
<td>State farms dissolved in 1990s, av. size 10 ha</td>
<td>Optimisation after 1998, av. farm size &gt;50 ha</td>
</tr>
<tr>
<td><strong>Organisation of labour</strong></td>
<td>Family farms with seasonal workers</td>
<td>Sharecropping with rural households</td>
</tr>
<tr>
<td><strong>Access to capital</strong></td>
<td>Private banks, subsidies</td>
<td>State provides inputs and loans</td>
</tr>
<tr>
<td><strong>Water governance</strong></td>
<td>Water user coops; growing role of state actors</td>
<td>Central water use management</td>
</tr>
<tr>
<td><strong>Strategic role of agriculture</strong></td>
<td>Modernisation under “Agribusiness 2020”</td>
<td>Cotton &amp; wheat as strategic crops</td>
</tr>
<tr>
<td><strong>Processing</strong></td>
<td>Private ginneries</td>
<td>State-owned processing</td>
</tr>
</tbody>
</table>
Challenges and opportunities

Challenges in targeting the value-addition for domestic and export markets:

- Dominance of small producers in HVC
- Many farms -> need for new forms of interactions in:
  - Water use
  - Marketing and supply chains
  - Within farm (surplus of skilled labor resources)
Challenges and opportunities

Challenges in targeting the value-addition for domestic and export markets:

- Interlinkages between farm workers and managers of farms/enterprises:
  - Permanent and seasonal contracts
  - In kind or extra yield awards
  - Privilege conditions for employees
Chronology of agri-policy measures on expansion of fruit and vegetable production in Uzbekistan

- Decree on “Organizational measures towards reforms in fruits, vegetables and grape production sector”
- Resolution on "Procedure of establishment of agricultural companies and organization of their activities in fruits, vegetables and grape production sectors"
- Resolution on "Adoption of preferential credit schemes ... for purchasing of mini-technologies ... fruits, vegetables and livestock products"
- Decree on "Measures of development ... national food-industry sector for 2012-2015"
- Resolution on "Additional measures .. increasing volume of production ... food products for 2012-2015"
- 2016: Decree on "Measures towards enhancing procurement system of fruits-vegetables, potato and melon products"

Graph showing the share in % of vegetables and melons in total farm area and share of farms in total vegetable and melon output from 1992 to 2013.
Export and import structure of Samarkand province

**Export**
- Others
- Service
- Machinery and equipment
- Chemical products
- Food products
- Cotton fiber

**Import**
- Others
- Services
- Machinery and equipment
- Chemical products
- Food products

Share of traded amount of Samarkand province with CIS, %
## Strategy of development of fruit & vegetable chain in Samarkand region

<table>
<thead>
<tr>
<th>Channel</th>
<th>Current Situation</th>
<th>2015-2020</th>
<th>2021-2025</th>
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<tr>
<td><strong>Production</strong></td>
<td>Inefficient, weak linkage effects between units, production of homogenous products</td>
<td>Capacity building, knowledge disseminations, enhance of linkage effect, enhance of farm income, more research oriented production, establishment of multi sectorial production units, export oriented products</td>
<td>Establish Multinational companies, support agro and traditional production tourism, diversify production</td>
</tr>
<tr>
<td><strong>Post-Harvesting</strong></td>
<td>Less of storage facilities, weak linkage effects btw units</td>
<td>State program to encourage building new and maintaining existing warehouses, decrease of post-harvest losses to min., enhance of linkage effects btw. units, establish distribution centers, solve of transportation and energy provision issues, knowledge disseminations among units</td>
<td>Establish modern distribution centers, post-harvest research centers</td>
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<td><strong>Processing</strong></td>
<td>Less diversified production, low procurement prices of raw materials, energy provision problems</td>
<td>Research lab at the region, e.g. Samarkand Ag Uni, curricula development for prepare students, Encourage to establish processing factories, enhance of linkage effect among units, research station</td>
<td>R&amp;D, marketing agencies, packaging and design of export oriented products</td>
</tr>
<tr>
<td><strong>Marketing</strong></td>
<td>In initial stage, less linkage effects btw units</td>
<td>The issue of State program or Presidential act about clusters, Phytosanitary Center, extension services for personal</td>
<td>Enhance of units income, establish agro and traditional tourisms</td>
</tr>
</tbody>
</table>
Thank you
## Chronology of main laws related to the expansion of fruit and vegetable production in Uzbekistan

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<tr>
<th>Year</th>
<th>Legislative acts</th>
<th>Main focus</th>
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<tr>
<td>11.01.2006</td>
<td>Decree of President “On organizational measures towards reforms in fruits, vegetables and grape production sector”</td>
<td>Transformation of agri cooperatives to individual farms, establishment of agro-industrial companies, enhancement of sectoral administration</td>
</tr>
<tr>
<td>10.03.2006</td>
<td>Resolution CM “On adoption of resolution on procedure of establishment of agricultural companies and organization of their activities in fruits, vegetables and grape production sectors”</td>
<td>Establishment of agricultural companies, elaboration of contract template between producers and processors</td>
</tr>
<tr>
<td>20.08.2007</td>
<td>Resolution of CM “On adoption of the procedure of the preferential crediting schemes and leasing services for purchasing of mini-technologies and compact equipment by farms and other small business enterprises engaged in processing of fruits, vegetables and livestock products”</td>
<td>Preferential loans and enhancement of leasing system for mini-technologies and equipment</td>
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<td>20.10.2008</td>
<td>Decree of President “On optimization of farm plots and measurements towards increasing food production”</td>
<td>Sustainable production of food products, farm restructuring</td>
</tr>
<tr>
<td>31.10.2011</td>
<td>Decree of President “On measures of development and enhancement of management system in national food-industry sector for 2012-2015”</td>
<td>Food industry development, foreign investment to agricultural production</td>
</tr>
<tr>
<td>23.08.2012</td>
<td>Resolution of CM “On additional measures towards deepening processing of agricultural commodities, increasing volume of production and expand assortment of food products for 2012-2015”</td>
<td>Increase of volume of food products, crop diversification</td>
</tr>
<tr>
<td>12.04.2016</td>
<td>Decree of President “On measures towards enhancing procurement system of fruits-vegetables, potato and melon products”</td>
<td>Increase volume of products and exports, enhance processing and storage infrastructure</td>
</tr>
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