

September 27, 2010

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“World Food Kazakhstan 2010”
13th Central Asian International Exhibition “Food Industry”
November 2-5, 2010
Atakent IEC, Almaty, Kazakhstan

Dear USAPEEC members!

On November 2 - 5, 2010 the biggest Central Asian Food Show “World Food Kazakhstan 2010” will take place in Almaty, Kazakhstan, International Exhibition Center “Atakent”.

USAPEEC has successfully participated in four previous WFK food shows and will have a booth for members this year also.

USAPEEC members are cordially welcomed to join us at the USAPEEC lounge!

USAPEEC members interested in participation are encouraged to contact Bella Ablaeva at usapeeckz@yahoo.com or at bella_usapeec@yahoo.com.

In 2009 the event featured 154 exhibitors from 29 countries, covering all aspects of the food industry, including food, drinks, agriculture, technology, ingredients and packaging. In total, 3,193 visitors attended the exhibition. In 2010 World Food Kazakhstan expects to attract nearly 5,000 people.

Additional information on the show can be found at <http://www.worldfood.kz/en>

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Kazakhstan



Kazakhs employ Russia plant list to issue permits for U.S. poultry

Kazakhstan has created its own list of U.S. enterprises that are exporting poultry products to the country. The corresponding list is published on the official website of the Ministry of Agriculture of Kazakhstan. The list contains 99 eligible U.S. enterprises.

It was compiled following the negotiations of Vice-Minister of Agriculture of Kazakhstan Saktash Khasenov with Russian Officials. The talks were held after in the mid-August Kazakhstan's Ministry of Agriculture has received an official letter from Russian Veterinary Services which informed that Russia revokes transit permits that have been issued earlier for goods destined to Kazakhstan.

The sides have agreed that if the facility is in Kazakh eligible facilities list and its goods are destined to Kazakhstan, Russian customs should release the cargo for transit.

However, from the trade USAPEEC CAEE Office has found out that even though Kazakhstan maintains its own list of U.S. poultry plants eligible to export, the Kazakh Government will accept product only from establishments on the Russian-approved plant list.

As per USAPEEC's request FAS Kazakhstan has confirmed with Kazakh Veterinary Authorities the following:

Kazakhstan has sent its eligible list to Russia and Belarus for approval/no-objection but there is no feedback yet, that's why Russia-approved list is used to avoid delays in trade.

USAPEEC CAEE Office will notify USAPEEC Headquarters and members on all further developments.

Sources: The Official website of the Ministry of Agriculture of Kazakhstan (www.minagri.gov.kz); Foreign Agricultural Service at the U.S. Embassy in Astana, Kazakhstan

Chlorine-treated U.S. poultry can not be entering Russia via Kazakhstan



Poultry Producers Union of Kazakhstan is denying the statement of Chief Veterinarian of Russia, Gennady Onishchenko who said that Russia is concerned over the fact that U.S. poultry treated with chlorine is imported into Russia through Customs Union member countries - Belarus and Kazakhstan. G.Onishchenko said that this product is being sold as products originating from these countries.

According to him, they have received "this alarming information from trusted sources".

However, Ruslan Shapirov, the Head of the Kazakhstan's Poultry Producers Union pointed out that U.S. poultry can not enter Russia via Kazakhstan.

R. Sharipov explained that this is impossible because in accordance with the agreement or law on Customs Union re-export of meat and other products is prohibited and can be imported only in processed form – sausages, canned foods, etc.

Source: i-News.kz News Service (http://i-news.kz); Translated by: usapeec.kz

Domestic poultry production will rise by 30 percent in 2011

According to Evgeny Aman, the Executive Secretary of the Ministry of Agriculture of Kazakhstan, the domestic poultry industry is boosting. Kazakhstan will increase the poultry production up to 100,000 MT either this or next year.

He said that three years ago Kazakhstan produced only 40,000 MT of poultry while domestic demand was 160,000 MT.

In 2009 domestic poultry output reached 77,000 MT and consumption amounted to 186,600 MT.

Today the demand of Kazakhstan's domestic market for poultry meat is about 185,000-195,000 MT.

As for imported products, according to the Poultry Producers Union, 65 percent of poultry is brought into Kazakhstan from the U.S., Brazil and other countries.

Meanwhile, five new poultry farms are being built at present in Kazakhstan; another six will be built in the next five years. Thus, in five years the domestic poultry industry is expected to satisfy 80 percent of the internal demand.

Sources: *Gazeta.kz News Agency*
(www.gazeta.kz); *i-News.kz News Service*
(<http://i-news.kz>)
Translated and edited by: *usapeec.kz*

Ukraine and Kazakhstan say “No” to trade wars

Ukraine and Kazakhstan have agreed not to initiate anti-dumping investigations against each other, according to the Minister of Economy of Ukraine Vasily Tsushko.

V. Tsushko said that the mutual decision to abandon the anti-dumping investigations was taken during an official visit of the President of Kazakhstan Nursultan Nazarbayev to Ukraine.

The Minister added that the sides would try to negotiate and find mutual decisions, so that not to begin trade wars, which in fact anti-dumping investigations are. He noted that Kazakhstan would be performing this decision within Customs Union.

In addition, V. Tsushko said that Ukraine intends to assist Kazakhstan in the negotiations for accession to the World Trade Organization.

Source: *MDOoffice News Service*
(www.mdoffice.com.ua); Translated by: *usapeec.kz*

The Poultry Producers Union of Kazakhstan appealed to the Government for support

Rauan Shaekin, a Member of Parliament, has applied to the Prime Minister of Kazakhstan, Karim Masimov, with a proposal to introduce a program supporting poultry industry of Kazakhstan.



The reason for the Deputy's request to the Head of the Government was the appeal of Poultry Producers Union of Kazakhstan, which includes 49 enterprises (7 poultry plants, 4 combined poultry plants (producing both poultry meat and eggs), 1 poultry plant producing turkey meat and 26 egg producing plants). In its appeal the Union asked to pay attention to the existing problems and to assist in solving them.

Noting that today the poultry industry is one of the fastest growing sectors of agriculture, Rauan Shaekin offers a number of measures to support the industry, namely:

- to double the state subsidies for the production and sale of commercial eggs and poultry meat for the year 2011;
- to add poultry plants to the “List of objects that are provided with electricity by emergency reservation” (continuously);
- to add the special section “Development of poultry sector” (taking into account the above-mentioned proposals) to the Draft Program “On the development of agro-industrial complex of Kazakhstan for the years 2010-2014”.

According to the Deputy, today the amounts of subsidies provided to poultry producers of Russia, Belarus and Ukraine are much higher than in Kazakhstan. These countries have dramatically increased the production of poultry and have started exporting this product to neighboring countries, including Kazakhstan.

Therefore, in order to support domestic poultry producers the Union asks the Government to take measures described in their appeal.

Source: *Kazakh-Zerno News Agency*
(www.kazakh-zerno.kz)
Translated and edited by: *usapeec.kz*

Kyrgyzstan



Domestically produced eggs can not compete in price with imported ones

According to the Head of the Department on Animal Breeding and Veterinary Medicine under the Ministry of Agriculture of Kyrgyzstan, Samat Aliyev, eggs produced by poultry plants in Kyrgyzstan are more expensive than imported ones.

According to him, each of the four major poultry plants in the country produces about 50 million eggs per year.

He said that eggs are mostly imported from Russia, the Government of which supports its poultry producers. Kyrgyz products can not compete in price with imported ones. This situation can ruin domestic poultry industry. He believes that in order to solve this problem the Government should introduce the state duty on imported eggs. S. Aliyev informed that this question is now being considered by the Ministry of Agriculture and the Ministry of Economic Regulation.

*Source: 24.kg News Agency (www.24.kg)
Translated by: usapeec.kz*

Kyrgyzstan has imported 35,000 MT of meat over 7 months of 2010



According to the leading specialist of the Veterinary Medicine under the Ministry of Agriculture of Kyrgyzstan, Kochorkul Kudakeev Kyrgyzstan has imported 35,000 MT of meat over 7 months of 2010.

The country imports annually about 50,000 MT of meat. The major share of imports (90 percent) accounts for the United States, Argentina and Brazil, the remaining 10 percent is imports from China.

Mr. Kudakeev said that they conduct selective inspections of imported meat about 3-4 times per year. He also noted that Kyrgyzstan exports 67 MT of meat annually. At the same time he pointed out that there are no proper veterinary services for the slaughter of animals in the country and it's necessary to build slaughterhouses that will meet international standards, as well as laboratories to check the quality of meat.

*Source: 24.kg News Agency (www.24.kg)
Translated and edited by: usapeec.kz*

The Government of Kyrgyzstan will support domestic meat producers

According to the Head of the Office on Livestock Development, Breeding and Veterinary Medicine under the Ministry of Agriculture of Kyrgyzstan, Sulaiman Mamaev Kyrgyzstan consumes 39 kilograms of meat per capita annually.

This is far below food safety norms, in accordance with which consumption of meat should be at least 65 kilograms.

S. Mamaev said that domestic production of meat in the year 2009 amounted to 335,000 MT. It is expected that it will reach 340,000 MT by the end of 2010.

He added that over 8 months of 2010 domestic production of meat made up 214,525 MT.

S. Mamaev also informed that the Government of Kyrgyzstan has signed the Decree "On support of domestic meat producers" and therefore, suspended meat imports from China. At the same time he noted that the deliveries from abroad are still significant.

*Source: 24.kg News Agency (www.24.kg)
Translated by: usapeec.kz*

Kyrgyzstan weighs Customs Union entry

As Kyrgyzstan's Government seriously considers joining a customs bloc with Russia, Belarus and neighboring Kazakhstan, some economic experts have voiced doubts over the wisdom of membership, at least in the near future.

Kyrgyzstan President Roza Otunbaeva announced during a July meeting of the Eurasian Economic Community (EurAsEC), that the country wanted to join the Customs Union.

R. Otunbaeva ordered a working group to look into the economic implications of joining the customs bloc, which is moving towards the eventual creation of a common market encompassing a population of some 170 million people by the end of 2012.

For the weak Kyrgyz economy, harmonizing customs arrangements with Russia and Kazakhstan is seen as essential if it is to continue trading with them on anything like equal terms. Last year, these two states accounted respectively for over 28 percent and 10 percent of Kyrgyzstan's foreign trade.

The introduction of common customs rules for Russia, Belarus and Kazakhstan at the beginning of July 2010 was a step towards a new divide that will set members of the Customs Union apart from non-members.

Previously, all EurAsEC members enjoyed a duty-free trading relationship with one another. Now outsiders will have to pay whatever import duties the Customs Union applies, so Kyrgyzstan's leaders are calculating that they would be better off on the inside.

More broadly, Kyrgyzstan has wider economic and political reasons to stay close to Russia and Kazakhstan, as both are major investors, while Moscow also provides significant aid and loans.

Both countries play host to large numbers of labor migrants from Kyrgyzstan.

Anarkhan Rahmanova, who heads the international trade department at the Kyrgyz Ministry for Economic Regulation, has been appointed to lead the working group on Customs Union entry, and says the value of trade with Russia and Kazakhstan is a key consideration. "More than 41 percent of our trade is with customs union countries, so joining would enable us to increase our exports to them," she said.

According to Pavel Dyatlenko, a political analyst with the Polis Asia think-tank the Kyrgyz economy and government finances in particular, are in such poor shape that it cannot move forward without international help. Russia and Kazakhstan are already helping Kyrgyzstan recover from the ethnic violence that rocked the southern towns of Osh and Jalalabad in June and left a trail of devastation, he said.

With a yawning budget deficit for the current year, "a great deal of money is needed to rebuild Osh and Jalalabad and to compensate for the decline in [foreign] trade revenues, investment, remittances from labor migrants and tourist industry income."

He added that "Kyrgyzstan's economy survives because it exports raw materials to these countries, and re-exports large amounts of Chinese goods to them."

China and Kyrgyzstan at present grant one another favorable terms within the framework of the World Trade Organization (WTO), of which they are both members. Neither Russia nor Kazakhstan is in the WTO, however, a fact that leads some Kyrgyz analysts to worry that their country would lose out by switching from one set of rules to another.

China is Kyrgyzstan's second-largest trading partner after Russia, accounting for 14 percent of trade last year and Kyrgyzstan is Central Asia's main retail point for Chinese-made consumer goods, which are exported throughout the region.

If Kyrgyzstan does not join the Customs Union, it will find it much harder to export Chinese goods to Kazakhstan at a profit. In case if it joins, an average import duty will double in Kyrgyzstan: from 5.1 percent to 10.6 percent (an average import duty in the Customs Union).

Government representative Mukhtar Jumaliev told the *24.kg News Agency* in July 2010 that the Customs Union would not apply import duties to items produced within Kyrgyzstan, only to goods originally imported from elsewhere and then re-exported.

Uluk Kydyrbekov, Acting Director of the Bishkek Business Club, said: "If we have to make a choice, it would be better to give priority to the WTO, which is a considerably bigger market than the Customs Union."

But Jumakadyr Akeneev, an economist who was formerly Kyrgyz Agriculture Minister, believes the country does not face an either-or choice, since the terms of its WTO membership allow it to join regional economic associations. Nor is the difference in customs tariffs a major problem, as the WTO system is flexible and should allow an accommodation to be made, he said.

Other economists, while not dismissing the benefits of customs union membership, argue that Kyrgyzstan should hold off until Russia and Kazakhstan fulfill their own long-held ambitions to join the WTO. Both countries are still in negotiations with the World Trade Organization. At one point they were considering a joint application as a customs bloc, but they appear to have shifted back to negotiating entry on an individual basis.

"Kyrgyzstan has time to make its final decision on joining the new organization [in the period] before the three customs members enter the WTO," Dyatlenko concluded.

Source: Asia Times News Agency (www.atimes.com)

Tajikistan



There is no official ban on imports of U.S. poultry into Tajikistan

Beginning September 14, 2010 several USAPEEC members have contacted USAPEEC CAEE Office with the following issue:

Some companies had shipments held in Tajikistan customs even though the Government hasn't announced anything officially. Tajik clients of other U.S. companies refused to buy the product even though it has already been shipped.

As per request of USAPEEC CAEE Office, Foreign Agricultural Service at the U.S. Embassy in Ankara has confirmed that there is no official ban or Government Decree on imported meat/poultry to Tajikistan.

Post from the U.S. Embassy in Tajikistan was able to talk with Mr. Said Haidarovich Davlatov, Head of Sanitary and Epidemiological Service under the Ministry of Health of Tajikistan. Mr. Davlatov, who headed the Agency for the last year, confirmed that he has not heard of any ban, or issued any documents, prohibiting imports of poultry from the U.S.

At the same time, the Official from U.S. Embassy informed that the State Sanitary Agency of Uzbekistan has banned imports of chicken skin.

USAPEEC members are advised to use this information in discussions with their importers to get the situation clarified since apparently there is no official ban in Tajikistan.

Source: Foreign Agricultural Service at the U.S. Embassy in Ankara

Uzbekistan



By 2015 the poultry stock will reach 60 million heads in Uzbekistan

The Government of Uzbekistan has adopted the state program on development of poultry production for the years 2010-2015. The aim of the program is to saturate the market with poultry products, to increase the volume of production in huge enterprises and to increase the number of farms.

According to the Deputy Chairman of the Association "Parrandasanoat" (Poultry producing enterprise), Pulat Rakhmatullaev, the main goals of the program are: to use full potential of operating enterprises and poultry farms, as well as creation of new ones, that will also help to solve the problems with unemployment in rural areas. P. Rakhmatullaev noted that 344 farms have already been created since the beginning of this year. It is planned not only to increase the production of poultry, but also to establish specialty stores for the sale of chicken and eggs.

Today the poultry stock in Uzbekistan amounts to 33 million heads that is an increase of 12 percent compared to last year. By the end of this year it will grow by 30 percent, and by the end of the program it will reach 60 million heads. Deputy Chairman of the Association noted that in each region of the republic two or three farms with poultry stock of 5-10,000 birds are being created. For this purpose soft loans at the amount of USD 24.7 million will be allocated.

According to Pulat Rakhmatullaev, currently the advanced equipment for poultry storage is being imported from Ukraine, Italy and France. Local companies are also negotiating to establish the production of choppers, mixers, feeders and drinking bowls, service and supply equipment. In each region of the republic it is planned to create diagnostic laboratories which will determine the quality of forage, as well as laboratories to diagnose main poultry diseases. In order to meet the demand of the population for dietary meat, it is planned to breed turkeys and quails in the future.

The number of birds as of July 1, 2010 has increased by 4,010,400 heads (that is an increase of 13.6 percent compared to the same period in 2009). In January-June 2010 the increase in production of livestock products (meat, milk, eggs) was achieved mainly due to private farms. The share of private farms in the total meat production amounted to 95.3 percent. As of July 1, 2010 poultry stock in farms has increased by 923,500 heads (an increase of 31.5 percent).

Source: Regnum News Agency (www.regnum.ru); Translated by: usapeec.kz

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Kazakhstan poultry import statistics*
Period: January-July 2010**

Partner Country	Import	
	Value	Quantity
World	66,671.9	71,912.3
<i>America:</i>		
United States	47,462.2	58,759.0
Brazil	259.8	312.0
<i>Europe:</i>		
Poland	588.4	810.3
France	20.4	3.5
Hungary	41.8	7.2
Lithuania	185.2	160.0
Netherlands	36.1	59.2
Germany	35.4	81.6
<i>CIS:</i>		
Ukraine	14,848.4	9,976.7
Russia	3,194.2	1,742.8
Value Unit: Thousands of USD		
Volume Unit: MT		

* Source: Customs Control Committee under the Ministry of Finance of Kazakhstan.

** Share of U.S. in total volume of poultry imports into Kazakhstan during January-July 2010 made up 81.7 percent.