

# FROM FIELD TO FORK

The Dairy Olympics 2022  
Almaty, 22-27 May 2022

Inna Punda, Economist  
FAO Investment Centre

The ecosystem of  
Kazakhstan's  
dairy sector



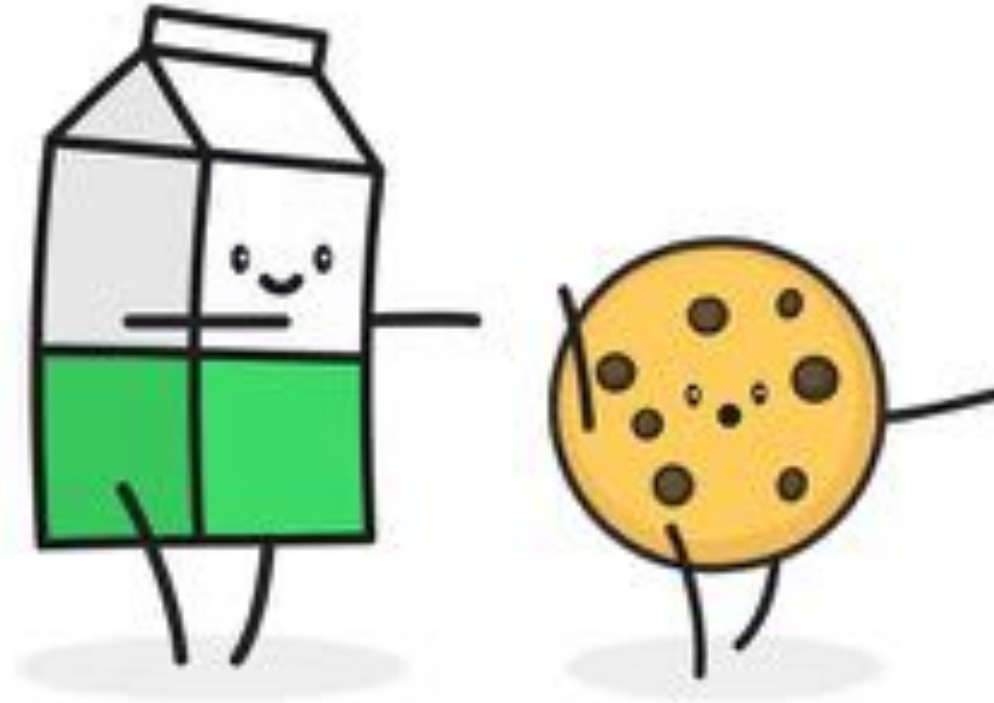
Продовольственная и  
сельскохозяйственная организация  
Объединенных Наций



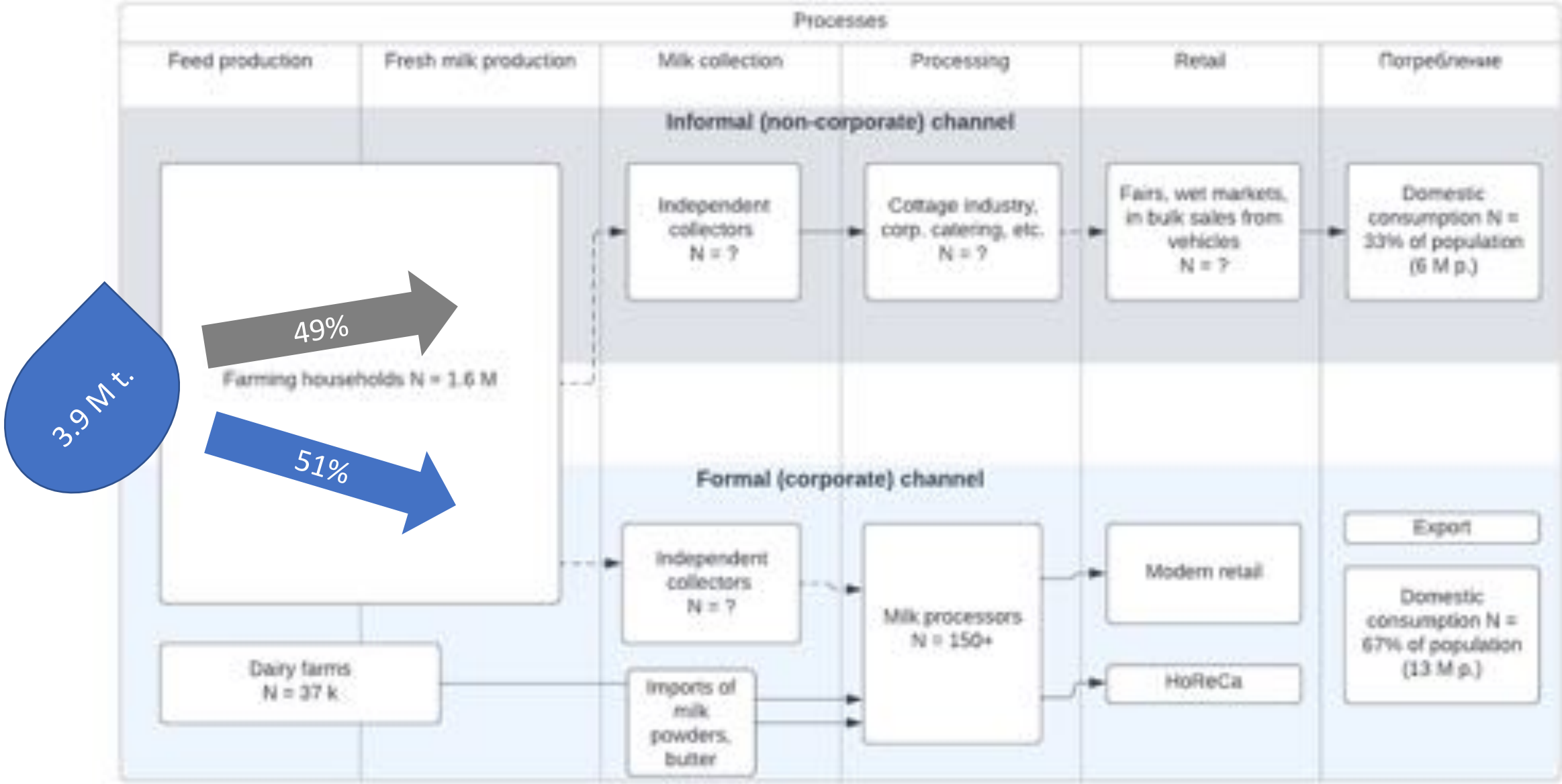
Европейский банк  
реконструкции и развития

**World's #9 by territory**  
**World's #184 by population density**

# TWO WORLDS – TWO MILKS



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# PLEASE MEET: KEY VC GROUPS



# CONSUMER

## «Wild» milk

**49%** of total milk output

**33%** of population opts for wild milk, mainly in the South

Insufficient consumer awareness on food safety



[www.smartsut.com](http://www.smartsut.com)



## Modern retail

Slow development, fuelled by COVID-19

# MILK PROCESSORS

## Factories

collect only **≈50%** of milk produced

**N=150+** DFIs

only **60%** of capacity is used (total capacity - 2 M t./year)

Acute shortage of quality milk

Only **50%** of collected milk comes from farms

**25%** of producer price - logistics

Milk Quality Roadmap

<https://kazsut.com/dorozhnaya-karta/>

“Farmer milk” phenomena...



© EBRD

# MILK COLLECTORS

Individual  
entrepreneurs

No KPIs

Win the “raw milk sourcing” race

A black and white photograph of a man in a plaid shirt standing next to a large stainless steel milk processing tank. The tank has a cloth draped over its top. A bucket is visible in the foreground.

Processor-run milk  
collection :

Strong linkages => faster development







# FARMERS

## Farming households

≈75 % of total milk output

50% of milk sourced by dairies

Limited resource for development

Pasture-based system (pasture health is under threat)

As a result: high vulnerability, low efficiency  
risk of exclusion from the market (food safety norms)

## Commercial farms

≈25% of total milk output

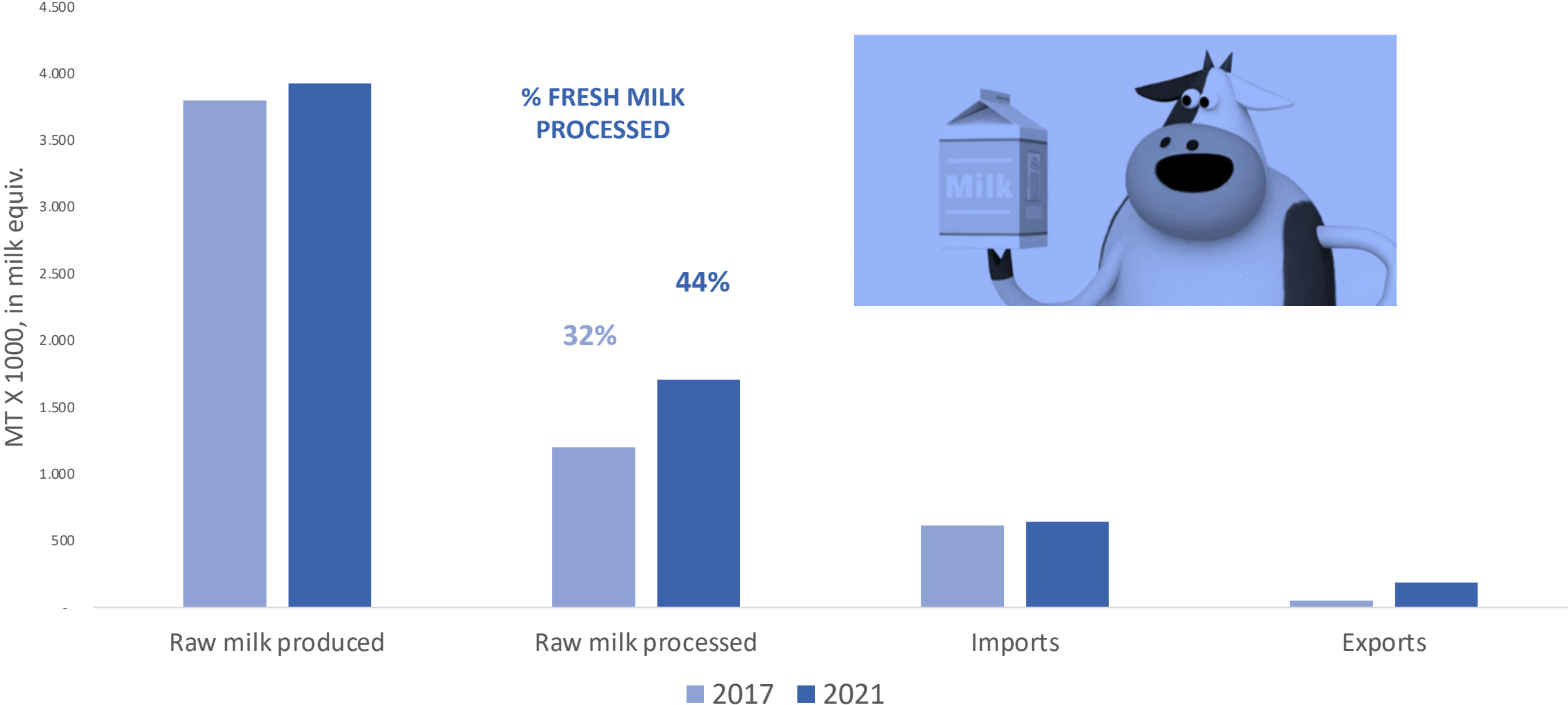
N = 37 k in 2019 (N doubled+ since 2010)

Champions' experience features profitable business

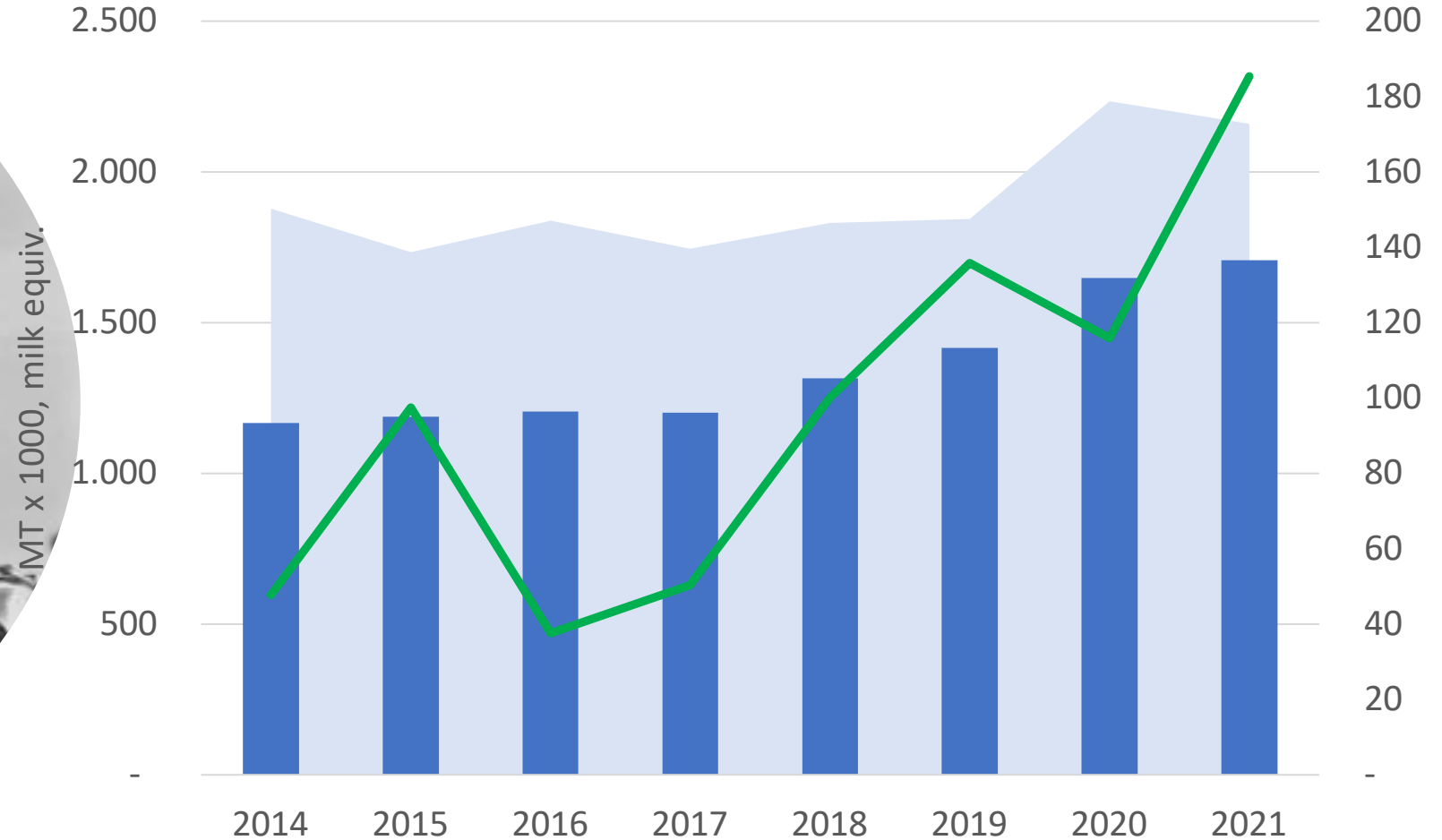
Acute shortage of competencies (all levels)

Limited access to irrigated land (South esp.)

# KAZAKHSTAN'S DAIRY MARKET INDICATORS



# GROWING DEMAND FOR RAW MILK



Supply for consumption (by the industry) Fresh milk processed  
Exports of dairy (RH axis)

Source: the Dairy Union, [www.kazsut.com/balance](http://www.kazsut.com/balance)

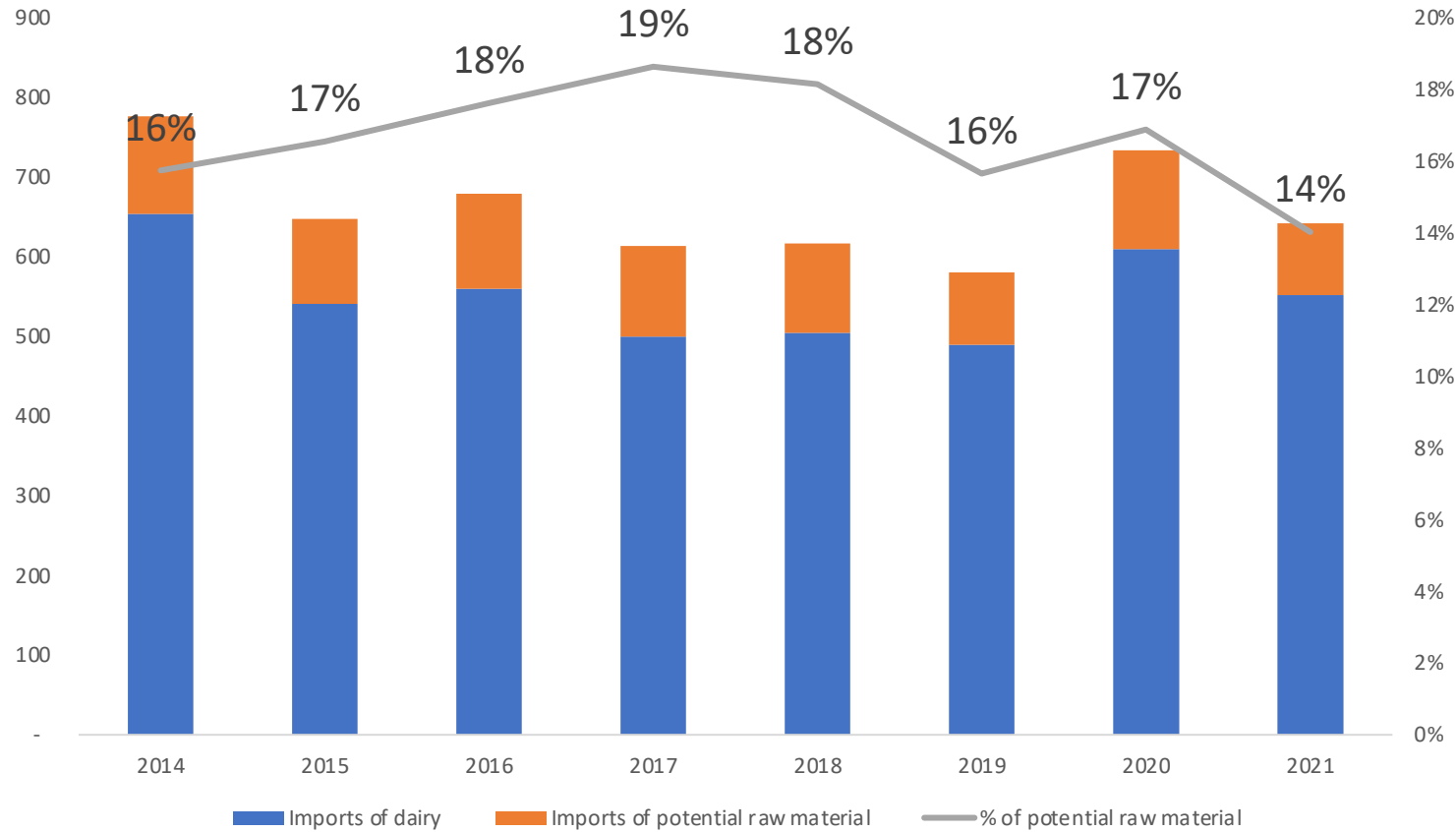
© EBRD

5-years growth

Volume of milk processed: **+42%**

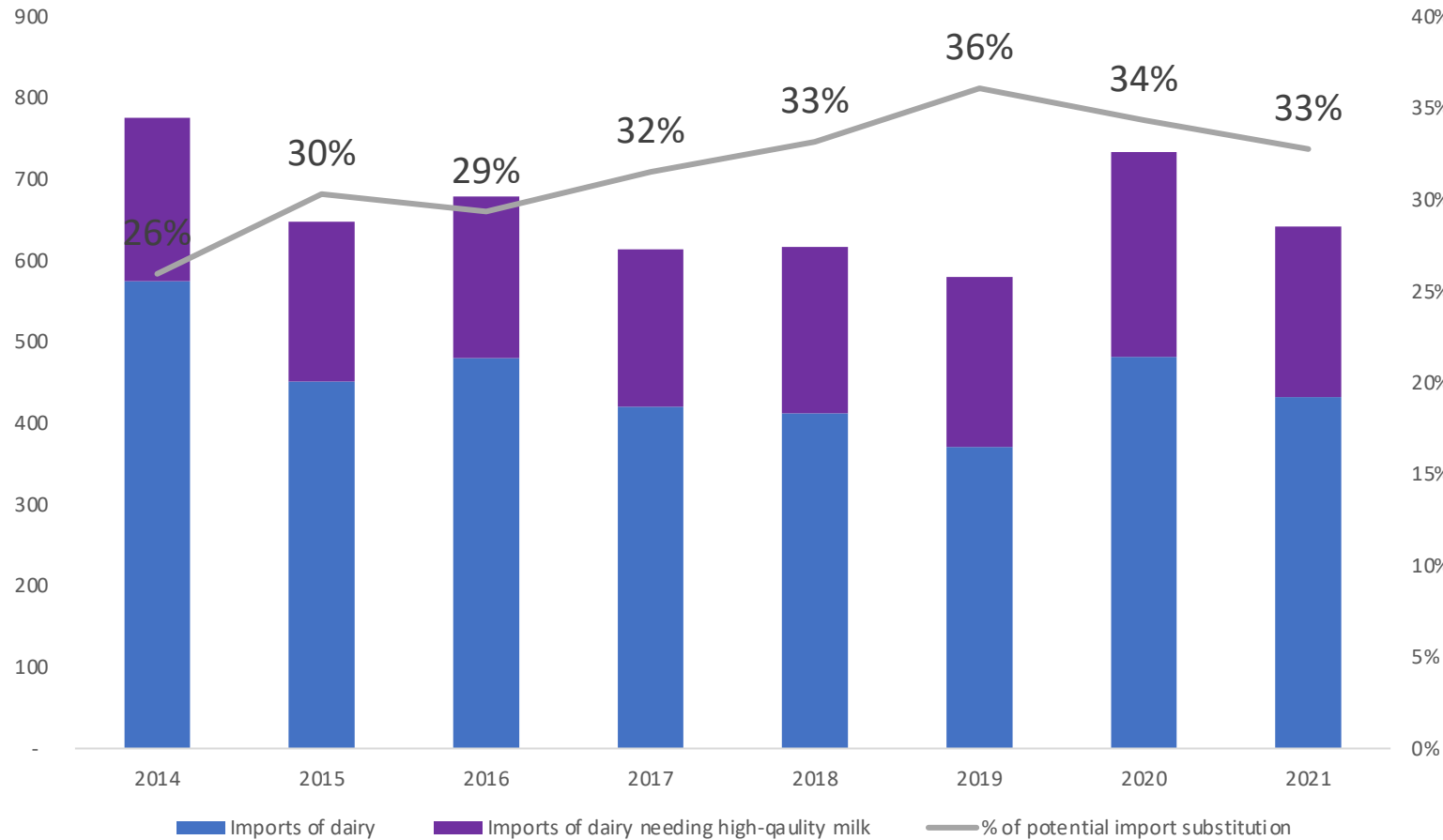
Volume of exports: **≈ 3** times

# LET'S GROW TOGETHER!



Source: The Dairy Union, TDM

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5-years cumulative import substitution potential: **US\$ 1B**

# ECOSYSTEM FOR INVESTMENTS



Long-term strategy +  
sectoral roadmaps



Best international know-how  
Ag image upgrade  
Digitalization



Profitable farms



Food safety



Competitive  
agribusiness



Stable export  
markets



Environmental  
sustainability



Public health

# Got milk?



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