

## Consider the case of Kazakhstan.

The central Asian country spread a little over 1 million sq.miles ( India 1.3 million sq miles) has a population of 16.7 million(India over 1 billion) i.e. to say a country nearly as big as India with a population which equals that of Delhi (13.7 million) .Theoretically, each Kazakh possesses 1.5 hectares of fertile land as 74% of all Kazakh land or 220 million hectares is arable which compares positively with the 185-190 million hectares of agriculture land in India .The oil reserves of Kazakhstan estimated anywhere between 9-17 billion barrels are the Caspian basins largest recoverable crude reserves in addition to 65tcf (trillion cubic feet )of Natural Gas reserves comparable to that of Kuwait and among the top 20 proven Natural Gas reserves in the world. Agriculture, on the other hand, in Kazakhstan enjoys a 10% share of the GDP (which was nearly 35% at the time of the demise of the former Soviet Union) employing some 20% of the total workforce.

Agriculture growth in Kazakhstan can be traced back to the Virgin Lands program of the late 1950s initiated under Premier Khrushchev with a view to reduce Soviet grain imports to Central Asia and settle the remaining nomadic herdsman of Kazakhstan and Kyrgyzstan. Consequent to this, by 1991, Kazakhstan was not only producing enough but contributing substantially to grain (read wheat) exports in the central Asian region. However, post 1991 the sector saw a rapid decline associated with factors external; the demise of the soviet union; and internal ;lack of a marketing structure in the newly independent state of Kazakhstan ,absence of an agricultural machinery industry i.e. tractors ,combines et al and the problems of land ownership.

The total area under crops in Kazakhstan over the 10 year period 1990 -2000 fell from 35,182 hectares<sup>1</sup> to 16,357 hectares with agriculture's share in GDP declining from 34% in 1990 to 8.7% in 2000. According to the US & Foreign Commercial Service during the same period the number of tractors in Kazakhstan fell from 221,000 to 38,000,harvesting combines from 110,000 to 40,000 with almost all other equipment like seeders and sprayers( Kazakhstan continuously faces a locusts problem) seriously worn out and needing external replacement . Stock breeding, the traditional and dominant agricultural sector of Kazakhstan (3/4 of all Kazakhstan land is used for grazing) also suffered serious setbacks in the aftermath of independence with the number of cattle falling from 9.3 million heads in 1994 to 4.1 million in 2000, sheep's and goats from 34 million to 10 million heads and poultry from 49,600 million to 19 million heads.

The Kazakhstan government taking cognizance of the problem has since the last five years taken constructive steps to stem the slide. An important Land Law was enacted in December 2000 that allows local citizens to lease arable land for up to 99 years, even though foreign ownership is still limited significantly. An important step, the law frees land and property from the burden of collective farming, freedom of choice regarding farming, production and marketing activities and protection against illegal expropriation. Progressive changes, further down the line are eventually expected to lead to eventual ownership and transfer rights. In 1999 the government also allocated \$40 million for the rehabilitation of production facilities at LSC Kazakhstantarctor (formerly Pavlodar Tractor Plant) Kazakhstan's main tractor assembly facility which imports transmission and engine units from Russia. The government has also actively supported the development of a smooth functioning market .The Grain Union of Kazakhstan, an NGO with 34 grain producing member companies, has emerged as a major player coordinating grain market activity.

Western nations, though primarily interested in Kazakhstan's Oil and Gas reserves have also been active on the agriculture front. John Deere , the US tractor and equipment manufacturer sold its first batch of 537 harvesting machines and 100 combines in 1997 for about \$1409 million and opened its first –ever service centre for service and repair works in Kazakhstan in 2001. Germany ,which established itself early in the Kazakhstan's agro market through the TACIS (Technical Assistance for Commonwealth States) program in the 90's is a major player in country's agro sector machinery market accounting for a 12% market share exporting harvesting machinery, seeders ,sprayers and grain cleaning equipments. Still, the major exporters of agricultural equipments to Kazakhstan continue to be the CIS nations especially Russia and Belarus for harvesting machinery ,tractors and mowers and Ukraine for tractors and grain cleaning equipment.

The first signs of an agricultural revival have already been witnessed especially since the beginning of land reform. Post land reform, both the land under cultivation and grain production has picked up after more than a decade of decline. Analysts believe that the agriculture sector in Kazakhstan will grow by 10 -15% annually but without external (read imports) production levels of 1991 and beyond will be hard to come by .Almost all of the 70,000 Kazakhstan farms have already been privatised as peasant farms, partnerships ,production cooperatives or joint stock companies by 2000 with some of these example the Petrovskoye Co. in Shortandy with 500 shareholders stretching a mammoth 28,00 hectares.

His Excellency Zhanibek Saslimovich Karibzhanov, Deputy Prime Minister of the Republic of Kazakhstan speaking at the World Food Summit in Rome in 1996 had stated that Kazakhstan is "ready to make a substantial contribution to the solution of the problem of food provision in the world" . The Kazakhstan government has since then shown an unequivocal commitment to that intent .Leading western nations have and CIS countries have been quick to seize the initiative .New Delhi also has for once shown Indian business the door of opportunity. How far and how fast India Inc moves in to cash the pickings still remains to be seen. The writing however, is on the wall. The flexibility ,adaptability and initiative of Indian industry assertively supported by the government is going to determine much of national security and beyond in the times to be.