

FINANCING THE AGRICULTURAL INDUSTRIAL COMPLEX IN THE CONDITIONS OF MODERNIZATION OF THE ECONOMY OF KAZAKHSTAN

N K Kuchukova*

*Doctor of Economics, Professor, Eurasian National University named after
L.N. Gumilyov, Astana, Kazakhstan*

SH SH Ramazanova

*Doctor PhD, Deputy Dean of the Faculty of Economics for Science, North
Kazakhstan State University. Manasha Kozybaeva*

Received 16 March 2024; Revised 25 March 2024; Accepted 28 March 2024

ABSTRACT

Featured article is devoted to the financial support of the agro-industrial complex in the conditions of modernization of the economy of the Republic of Kazakhstan, identifying its features, studying the financial sources of modernization of the agro-industrial complex taking into account international experience, analyzing the current state of the financing system of the agro-industrial complex, a more detailed analysis of the state of development of agriculture in the Republic of Kazakhstan and its individual regions in order to assess the level of financial support for agricultural development, and on this basis, develop a model for forecasting investments in fixed capital in agriculture for the modernization of domestic agribusiness, as well as develop recommendations for improving the financial mechanism in the digital economy.

In the "Kazakhstan-2050" strategy in the food security threat is the global challenge of the global of the XXIth century is indicated. Today in the world there are a billion people based on food constants shortages. Without these terrible figures there will be revolutionary changes in the production of food products only to grow...We completely need the strength to make a quality breakthrough in agricultural production [1]. To implement this strategic task, significant financial resources will be required for modernizing modern technologies in agricultural production.

Keywords: Agro-industrial complex of Kazakhstan, Financial and economic incentives, competitiveness, Sources of financing, Bank loans, Government financial support

INTRODUCTION

The relevance of the research topics is due to the presence of major problems in the financial-agrarian industry relations. Firstly, the lack of sufficient financial resources in agriculture, the economy for the accelerated technological modernization of agriculture and the implementation of the

***Correspondence to:** N K Kuchukova, Doctor of Economics, Professor, Eurasian National University Named After L.N. Gumilyov, Astana, Kazakhstan, Tel: +7 701 777 27 01; E-mail: nkuchukova@mail.ru

National Project for the development of the agro-industrial complex of the Republic of Kazakhstan for 2021-2025. In particular, as of 01/01/2020, the portfolio of banks of the second level is almost absent long-term loans in the rural economy. This testifies with the growing level of dependence of the state agricultural economy on, since the share of lending of the joint-stock company “NUH” KazAgro is growing from year to year. Within this share of the agro-industrial complex, in the total volume lending of the economy of the second level RK banks is only 1.8%. Between that, the share of small agricultural enterprises in the portfolio of second-tier banks is only 2.9% (Annual report of JSC NUH KazAgrofor,2019). which is indicative of the insufficient availability of subjects of the agricultural products market for financing. The most acute problem of agricultural production is its low efficiency (almost half of unprofitable agricultural enterprises) remain (Official website of the Ministry of the National Economy Republic of the Statistics Kazakhstan Committee. Basic funds of the Republic of Kazakhstan for 2015).

The Address of the Head of State Kassym-Jomart Tokayev to the people of Kazakhstan dated September 1, 2022 noted that “The lack of credit resources remains a serious problem for domestic business. The underfinancing of small and medium-sized businesses in Kazakhstan is about \$42 billion. At the same time, banks have accumulated multi-trillion-dollar liquidity, which actually does not work for the economy” (Message from the Head of State K.K. Tokayev to the people of Kazakhstan 2022).

Secondly, the problem of stimulating the attraction of agricultural production, investment in remains seriously insufficient. As of January 1, 2020, investments in the main capital of rural areas of the economy amount to 3.9% of the main total investment capital. (Official website of the Ministry of National Economy of the Republic of Statistics of the Kazakhstan Committee. About the investment activities of the Republic of Kazakhstan for (2015).

Thirdly, the agricultural sector of Kazakhstan is characterized by low labor productivity, which at the beginning of 2020 amounted to only \$5 thousand per person. While in Belarus this figure is 33.5 thousand dollars, in Russia – 18.4 thousand dollars.

Fourthly, the critical wear and tear of fixed production assets, which, according to the Bureau of National Statistics of the Ministry of National Economy of the Republic of Kazakhstan, has averaged 35% over the past five years (Official website of the Ministry of National Economy of the Republic of Statistics of the Kazakhstan Committee).

The transfer of the agro-industrial complex to an industrial-innovative path of development based on the increased competitiveness of agricultural products implies an increase in funding for the agro-industrial complex. In this regard, one of the directions for adjusting domestic agricultural policy should be a strategy for investment development of agriculture.

When forming agricultural policy, one should consider global trends in the development of agriculture in developed countries, in which financial support for agriculture is recognized as a national priority and effective systems of state financial regulation are implemented in them. This is due to

the fact that in developed countries there has been increased attention to the problems of ensuring national food security, which implies the need for an annual increase in funds allocated for financial support of agriculture.

In this regard, research into the theory and experience of developed countries in the field of financial support for the national economy, the creation of new competitive industries, including the agro-industrial complex, is of scientific and practical interest.

Each country develops an organizational and economic mechanism for state regulation of the economy, tests the most effective and optimal forms and methods. This predetermines the need to conduct scientific discussions among scientists in this field on a wide range of problems in the theory and practice of state financial regulation of the agricultural sector in order to increase its competitiveness. However, despite the widespread attention of academic researchers to the issues of regulation of the agro-industrial complex, the financial aspects of this pressing problem have not yet been fully studied. In this regard, it is necessary to objectively study financial relations, identify unresolved problems associated with the selection and use of forms and methods of financial support for the activities of agricultural enterprises, develop recommendations for the use of the most effective forms and methods, and improve the necessary conditions for attracting investors in this area.

The article focuses on the study of financial support for the development of agriculture in the republic as a whole, since agriculture in Kazakhstan is the main link of the agro-industrial complex, at the same time assessing and developing practical recommendations for the region represented by the North Kazakhstan region.

The problems of financial provision of the agro-industrial complex were devoted to their research by Russian and foreign scientists, among them highlight: you can L. A. Bernstein, S. Myers, M. Miller, P. Samuelson, Pavlova L. N, Rodionova.M V., Korobeinikov M.M. Diba E.F., Polyak G. B., Shokhin E.I. androw others.

Scientists of domestic economic science have made a significant contribution to the development of this issue. Among them: the works of Abdildin S., Abuov K.K., Arystanbaeva S.S., Autov R.R., Aimurzina B.T., Baimagambetova Z.A., Ertazin Kh., Isaeva Zh.U., Kalieva G. A.A., Korgasbaeva Zh.K., Kuchukova N.K., Makhashova H.K., Moldasheva A.B., Nurumova A.A., Ospanova M.T., Satybaldina A.A., Sigareva M.I., Syzdykova B.Sh., Utibaeva G.B. and etc.

Improving the financial support of the agro-industrial complex of Kazakhstan will ensure its sustainable development and food security of the country.

At the same time, the versatility, complexity and insufficient development of issues of financial support for the agro-industrial complex and, to a large extent, agricultural financing, the diversity of the problem under study served as the basis for choosing the topic of this scientific research, determined the novelty, relevance and practical significance of the problems discussed in this monograph and the ways of its solutions.

There has not yet been a comprehensive scientific work devoted to the financial support of the agro-industrial complex of the Republic of Kazakhstan in the conditions of the new global reality and modernization of the national economy, the development of the digital and green economy. The forms, methods and mechanisms for financing the modernization of the agro-industrial complex of the Republic of Kazakhstan, considering world experience, have not been sufficiently developed and require systematization.

In this regard, it is necessary to analyze the financial sources of modernization of the agro-industrial complex of Kazakhstan as part of the implementation of state programs for the development of the agro-industrial complex for 2017-2021, as well as to identify existing problems and develop recommendations for more efficient use of the enormous financial resources allocated for the development of the agro-industrial complex of the Republic of Kazakhstan within the framework of National project for the development of the agro-industrial complex of the Republic of Kazakhstan for 2021 -2025.

The insufficient development of issues of financial support for the agro-industrial complex and technological modernization of agribusiness made it possible to formulate the purpose of the study.

The purpose of financial of this research is to develop theoretical the foundations and of and practical recommendations methods for improvement for providing the agro-industrial complex of Kazakhstan based on the study of theoretical methodological approaches and to the analysis of sources of financing of the agro-industrial complex in the economic reality of new conditions, and also in the development of models of forecasting investments in fixed capital the rural of the economy of the Republic of Kazakhstan for modernization of agribusiness.

To achieve the specified goal, the monograph set the following tasks:

Explore the theoretical and methodological foundations of financial support for the agro-industrial complex, including clarification of the content and features of financial support for the agro-industrial complex;

Based on the study of the main approaches to the classification of sources of financing of the agro-industrial complex, systematize the sources, forms and methods of financial support;

Conduct an analysis of the sources of financial support for the agro-industrial complex in the Republic of Kazakhstan, the state of financing of state programs for its modernization using the example of NMH KazAgro JSC and, on this basis, identify trends in the dynamics and structure of sources of financing for agriculture;

Develop a model for forecasting investments in fixed capital of agriculture of the Republic of Kazakhstan in order to modernize agribusiness;

Based on systematization of world experience, develop practical recommendations for improving the forms and methods of financing the agro-industrial complex of Kazakhstan:

1. Propose a mechanism for issuing an agricultural receipt in the context of digitalization of financial services to ensure the availability of financial resources for small agricultural producers;

2. Justify ways to solve the problem of ensuring farmers' access to financing by creating the organization "Agricultural Development Bank".

In the monograph the authors consider the rural economy as part of the agro-industrial complex of the Republic of Kazakhstan in relation to the North Kazakhstan region, and also examine the activities of financial organizations participating in that programs provide the industry with financial resources, such as: JSC "NUH" KazAgro and other credit organizations.

RESEARCH METHODOLOGY

The basis of the research is a systems approach, the dialectical method of cognition, logical analysis and synthesis, scientific abstraction, induction, deduction, analytical method, methods of expert assessments and economic-mathematical methods, system-structural and comparative analysis.

The materials for the study were: statistical data from the Bureau of National Statistics of the Agency for Strategic Planning and Development (formerly the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan), reports and information materials of the Ministry of Finance of the Republic of Kazakhstan, the National Bank of the Republic of Kazakhstan, Financial Development Institutions, the Ministry of Agriculture of the Republic of Kazakhstan, and also NMH "Baiterek", NMH "Kaz Agro", Messages of the Head of State to the people of Kazakhstan for a number of years, materials from monographs and articles by leading scientists of the world and Kazakhstan; data from own scientific research and the results obtained, economic and statistical research methods, as well as historical and logical methods. The materials under study were analyzed using the grouping and comparison method, as well as the abstract-logical method. The authors, as part of the study, based on an analysis of the dynamics and structure of sources of financing for the agro-industrial complex, including agriculture in the North Kazakhstan region over the past 5 years, identified positive and negative trends occurring in the dynamics of investments in the technological modernization of fixed capital and proposed recommendations for improvement a mechanism for attracting additional sources of financing for the modernization of agribusiness in Kazakhstan and a number of other recommendations that are reflected in the conclusions presented in the presented monograph.

Scientific the novelty lies in the development of the theoretical foundations of financial support for agriculture in the agro-industrial complex system, the development of recommendations for improving the forms, methods and forecasting of investments in the industry using economic and mathematical modeling in the conditions of modernization of the economy of Kazakhstan.

The authors consider the influence of the republic's financial system on the modernization of agribusiness, since finance serves the process of production of material goods. Technical and technological modernization of the real sector of the republic's economy is impossible without financial resources, especially in crisis conditions. The monograph also examines the influence of budget policy on the modernization of agribusiness in Kazakhstan, through financial instruments for regulating the economy: government

spending, budget loans and models for the effective use of state financial resources.

RESEARCH RESULTS

Modernization and diversification of the economy, raising the level of economic development and social sphere to the indicators of developed countries of the world are fundamental tasks that cannot be solved in the medium term. Countries that have achieved success in modernizing their economies spent an average of 20-30 years on this; Finland took 20 years. It took the countries of Southeast Asia 20-30 years to become the “Asian Tigers”.

The scale and complexity of the task of accelerated modernization objectively require a high degree of centralization of public administration.

It is the state that has to take upon itself the leadership of the modernization process in all spheres of public life and itself create the prerequisites for this process.

Decree of the President of the Republic of Kazakhstan dated October 7, 2021 No. 670 approved the List of 10 National Development Projects of the Republic of Kazakhstan for the next 5 years from 2021 to 2025, which provide for measures to: ensure sustainable economic growth of the country, aimed at improving the well-being of the population; development of the agro-industrial complex; ensuring quality and affordable healthcare; achieving an educated nation; the development of culture, digitalization, science and innovation, as well as the development of entrepreneurship, regions of the country, green economy and ensuring the security of the country (Decree of the President of the Republic of Kazakhstan “On approval of the list of national projects.” Nur-Sultan, Akorda, 2021).

In 2021, the Concept for the Development of the Agro-Industrial Complex for 2021-2030 and the National Project for the Development of the Agro-Industrial Complex for 2021-2025 were adopted, the main objectives of which were defined.

- Increasing labor productivity in agriculture by 2.5 times;
- Achieving self-sufficiency of the country in the main types of domestically produced food products;
- Increasing the export of agricultural products by 2 times, bringing the share of processed products in it to 70%;
- Stable increase in income of 1 million rural residents through the formation of 7 large ecosystems and the implementation of investment projects.

“To solve these problems, a set of measures will be implemented to increase the availability of financing, develop land relations and digitalization of the industry, improve agricultural science and education, ensure veterinary and phytosanitary safety, and also at least 582 investment projects will be implemented for import substitution and development of exports of agricultural products in the amount of 4.1 trillion tenge”.

The Address of the Head of State K.K. Tokayev dated September 1, 2022 identifies the most important problems of the national economy: dependence on raw materials, low labor productivity, insufficient level of

innovation, uneven distribution of income and identifies ways to solve them through: ensuring macroeconomic stability, diversification of the economy, digitalization, development of small and medium-sized businesses, human capital, ensuring the rule of law.

As Head of State K.K. Tokayev noted: “The problem of agricultural development remains one of the key ones. The state of the industry directly affects the country's food security. It is necessary to solve the strategic task of increasing production volumes and increasing the added value of domestic agricultural products. The time when it was possible to sell grain and livestock is a thing of the past. The government must prepare new long-term approaches to subsidizing the industry. Budget funds must provide effective returns. The state will no longer throw money left and right. It is necessary to strengthen control over the allocation and implementation of subsidies”.

In this regard, our research acquires even greater relevance and practical significance, since it is aimed specifically at solving the identified tasks set by the Head of State K.K. Tokayev in his Address to the people of Kazakhstan dated September 1, 2022.

It should be noted that the global economic crises that have become more frequent in recent decades lead to a reduction in the possibilities of attracting financing and a complication of the practice of refinancing loans. Borrowing volumes on foreign markets have decreased for developing economies. The lack of internal sources of financing, the reduction of external sources of financing for the banking system of Kazakhstan, and the insufficient development of the Kazakh stock market significantly limit the ability to meet the needs of the real sector of the economy for financial resources.

To solve the problem of diversification and modernization of the economy, it is necessary to accumulate all the internal resources available in the country and attract as much foreign direct investment as possible. The specifics of Kazakhstan's economic development require large-scale modernization of the agro-industrial complex, primarily agriculture.

THE AGRICULTURAL SECTOR SHOULD BECOME A DRIVER OF ECONOMIC GROWTH IN KAZAKHSTAN

In this regard, the development of scientific foundations, trends, directions for modernization of agribusiness, development and “reboot” of the country's financial sector is very important in the conditions of the new global reality, has important theoretical and practical significance, and is a necessary condition for increasing the competitiveness of the national economy.

Consideration of the theoretical, methodological and practical aspects of financial support for the agro-industrial complex of the Republic of Kazakhstan allowed the authors to formulate new provisions, conclusions and recommendations, the most significant of which are the following:

The theoretical and methodological foundations of financial support of the agro-industrial complex have been studied, including clarification of the definition of the concept of “financial support of the agro-industrial complex” based on the systematization of various approaches of the authors to the interpretation of the content of this concept, which made it possible to identify two directions in the definition of this concept and justify its consideration 1)

as a system of providing an enterprise with financial resources; 2) as a process of capital management. Considering that the formation of the capital movement of an enterprise is realized by attracting and the distribution of financial resources, therefore, the concept of financial security can be a process that is reduced by the financial security resources of an enterprise. At the same time, it should be kept in mind that the financial support of the agricultural sector, management and as a management process depends on the strategy of the development given of the industry, aimed at achieving the goal of increasing competitiveness, the sustainability of productivity of labor in the agro-industrial complex, which is in the conditions of the new of the global reality, the main driver of economic growth in the country.

“Financial provision of the agro-industrial complex represents the totality of financial relations sources of financing that arise in the formation of various, and also the forms and of their use methods of effective and regulation of the movement of financial modernization of agribusiness resources for.”

The most frequently used forms and methods of financing in the production and economic activities of agro-industrial complex enterprises have been systematized, and on this basis, a “Block diagram of sources, forms and methods of financial support of the agro-industrial complex” has been developed, allowing for the diversification of sources of financing development of the agro-industrial complex and, accelerating technological modernization for increasing labor productivity and competitiveness of output products.

Modernization of the economy of Kazakhstan, in volume and agro-industrial complex, targeted at achieving its global competitiveness, requires colossal financial resources. For the years of independence of Kazakhstan, there were adopted about ten state programs for the development of the agro-industrial sector of the economy. The availability of sufficient financial resources for the implementation of these programs is an important factor in achieving the indicated goals. The importance of the problem of searching sources for financing, diversifying methods of and financial resources forms of attracting modernization of rural areas of the economy is repeated increasing. In this regard, an analysis was carried out of the structure and dynamics of sources of financing for the agro-industrial complex of the Republic of Kazakhstan and the agriculture of the North Kazakhstan region over the past 5 years, which made it possible to identify trends and unresolved financing problems that arise in the context of modernization of agriculture;

The agro-industrial complex is one of the sectors of the economy that shapes the country's food and economic security. Agricultural economy is one of the main branches of material production, including the cultivation of agricultural crops, and the breeding of agricultural animals for food and purposes, obtaining raw materials for industry. The main sectors of agriculture of the economy are crop production and livestock farming.

Our data analysis conducted for the period from 2015 to 2019 shows sustainable agricultural production growth in volumes. In 2019, the volume of production in livestock and crop production amounted to 5137 billion tenge, increasing more than 1.5 times from 2015, by 849 billion tenge and for 993 billion tenge, respectively. At the same time, the main macroeconomic indicators of the agro-industrial complex for 2021 are disappointing and leave

room for improvement. In particular, in January-December 2021, the volume of gross agricultural output decreased by -2.4% and amounted to 7.4 trillion tenge. The reason for the decline is the abnormal drought of last year, due to which the volume of crop production decreased by 6.7% (4.2 trillion tenge), although an increase of 3.6% (3.1 trillion tenge) was achieved in livestock farming. Food production during this period increased by 1.9% and amounted to 2.2 trillion tenge.

In 2021, the sow area of all agricultural crops amounted to 22.9 million hectares, which is 343.3 thousand hectares more than the level of 2020, which indicates the extensive development of agriculture in the Republic of Kazakhstan. (Results of the development of the agricultural sector for and plans for the coming period, 2021).

Despite the positive growth trends in agricultural production volumes for 2015-2019, in 2021 agricultural production decreased by -2.4%, which indicates the strong dependence of this industry on natural climatic factors of conditions, which can lead to low yields of main exported agricultural production crops.

Also, prevails indicate that in the agricultural sector in Kazakhstan all has negative productivity labor costs - 5 thousand RK dollars per employee on average for the period from 2015 to 2019. During 2020-2021, labor productivity in agriculture decreased even more compared to the previous period and amounted to \$4,332 in 2020, and \$4,988 per employee in 2021. (with the weighted average dollar exchange rate according to the National Bank of the Republic of Kazakhstan for 2020 - 420.91 tenge and with the weighted average dollar exchange rate on the Kazakhstan Stock Exchange (KASE) as of December 30, 2021 - 431.67 tenge).

For comparison in developed countries, labor productivity in agricultural production is about 50-70 thousand dollars per person, which exceeds the Kazakh level of labor productivity in agriculture by 10-14 times, which indicates the low efficiency of Kazakh agricultural enterprises, dependent on low productivity agricultural productivity crops (wheat yield in Kazakhstan - 11.3 c/ha, and in Germany - 79.5 c/ha, in Britain - 78 c/ha, Bulgaria - 41.8 c/ha, Romania - 35.7 c/ha) and low productivity of agricultural animals (Shmarlovskaya, Ramazanova, Kuchukova & Gumilyo, 2020; Belyanichev, Savderova 2019).

Low labor productivity in agriculture is explained by: the use of outdated technology and, the industry's weak interest in innovation (wear and tear of the main ones in the agricultural economy - 35%); insufficient availability of subjects of the agricultural market products financing (the share of small agricultural enterprises in the loan portfolio of STBs is only 2.9%), since almost half of agricultural enterprises remain unprofitable; insufficient stimulating attraction of investments in basic capital rural areas of the economy (in 2019, investments in basic capital rural areas of the economy amounted to 495 billion tenge, or 3.9% of the total volume of investments in the Republic of Kazakhstan).

With a serious problem of the agro-industrial complex, is the critical wear and tear of fixed production assets, which, according to the Statistics

Committee of the Ministry of National Economy of the Republic of Kazakhstan, has averaged 35% in the recent five years in.

In connection with this, the economic development of rural investment strategy must be adjusted to become from the directions of domestic agricultural policy. The Translation of industrial agro-industrial innovative complex - on the path of development based on agricultural products, growth of competitiveness, invites increase in financing of agro-industrial complex for the modernization of agribusiness.

The analysis of investments carried out by us in the main capital of rural of the growth of the economy was shown 3 times in 2019 compared to 2015, and amounted to 495 billion tenge, which is related to crediting from the increase of the side of the state, the growth of subsidizing investment costs, and increasing the cost of agricultural machinery and equipment. Investments in the production of food products in 2019 increased by 66.7% or by 36 billion tenge from comparison with 2015. Food acquires the production of products is the largest importance, not only in Europe and Kazakhstan, but throughout the world. According to Experts, they estimate that international less than 80 billion food products will be needed not to satisfy the world's demand in the total population. US dollars. The volume of production of food products in Kazakhstan in 2019 was only 1.6 billion tenge, therefore, the development potential of the rural economy of the Republic of Kazakhstan is very high. In this communication, financing of rural economy and availability of financial resources is extremely important for the development of this industry.

An analysis of the processes of rural economy financing modernization shows about what the lion's share of the share of agricultural investments in the Republic of Kazakhstan in 2019 was in crop production, exceeding 59% of all agricultural investments in. In 2019, its volume increased by 2.8 times, or by 162 billion tenge compared to 2015 and was 3760 billion tenge. There are no inflows of foreigners' investment in this sector almost, so as the main barrier investors are disinterest in the following factors: the investment climate sector is unfavorable; lacking competitiveness; predominance of short-term lease land plots; lack of agricultural land market.

Sources of financing of the agro-industrial complex of the Republic for 2015-2019 are mainly replenished from the budget account of state funds (31%), own (30%) and attracted (27), and also funds from the Kazakhstan National Fund of the Republic (12%).

By Decree of the Government of the Republic of Kazakhstan on October 12, 2021 No. 732, the National Project for the development of the agro-industrial complex of the Republic of Kazakhstan for 2021-2025 was approved. [eleven].

The goal of developing the National Project was to create a competitive agro-industrial complex by increasing labor productivity by two and a half times, doubling the export of agricultural products and providing socially significant food products of domestic production.

The amount of funding required for the implementation of the national project is 2 trillion from the state budget. 703.3 billion tenge: 2021 - 471.9 billion tenge, 2022 - 414.1 billion tenge, 2023 - 485.6 billion tenge, 2024

- 674.8 billion tenge, 2025 - 656.9 billion tenge; volume of extra-budgetary funds 4,100.0 billion tenge: 2021 - 807.6 billion tenge, 2022 - 1,052.5 billion tenge, 2023 - 1,028.3 billion tenge, 2024 - 472.2 billion tenge, 2025 - 739.4 billion tenge.

The national project includes 4 directions: increasing labor productivity by 2.5 times, providing basic food products of domestic production, increasing exports of agricultural products by 2 times with an increase in the share of processed products to 70%, a stable increase in the income of 1 million rural residents due to formation of 7 large ecosystems and implementation of investment projects.

The effectiveness of the implementation of the National Project will be determined by the following indicators:

- Increase due to an increase in the volume of subsidies for the purchase of agricultural machinery by 1.5 times;
- Area of land using water-saving technologies (drip irrigation, sprinkleling);
- Increase due to an increase in the volume of subsidies for high-quality seeds by 1.2 times;
- Increase due to an increase in the volume of subsidies for mineral fertilizers by 1.4 times;
- Subsidizing 50% of the cost of purchasing plant protection products for effective treatment of arable land (fallow), million hectares;
- Average live weight of cattle;
- Share of completed scientific developments in the agro-industrial complex;
- The provision of food products (including socially significant ones) is at the level of 80%;
- Apple production;
- Production of sausages;
- Poultry meat production;
- Fish production;
- Vegetable production;
- Increasing exports of agricultural products by 2 times compared to 2019;
- Share of processed products in the total volume of exports of agricultural products;

The share of veterinary drugs against particularly dangerous animal diseases, the production of which is certified according to international standards (including the GMP standard); The share of coverage of food products is subject to monitoring for safety indicators (National project for the development of the agro-industrial complex of the Republic of Kazakhstan 2021).

It should be noted that in recent years there has been a steady trend of investment in fixed capital in agriculture. Thus, in 2021, the volume of

investments in fixed assets in agriculture increased by 33.3% compared to the previous year and amounted to 773.2 billion tenge, which is 278.2 billion higher than the level of 2019. Tenge and the inflow of investments into food production increased in 2021 by 3.1% and amounted to 114.4 billion tenge.

On January 12, 2021, the Ministry of Agriculture signed an Investment Agreement on the creation of a network of demonstration farms and the construction of a plant for the production of modern irrigation systems and crop yield management in Kazakhstan with the company “VALLEY KUSTO GB BV”, approved by the Decree of the Government of the Republic of Kazakhstan dated January 12, 2021 No. 5.

Along with this, the Ministry of Agriculture, together with local executive bodies, developed and approved Roadmaps for the implementation of investment projects in the agro-industrial complex for 2021-2025.

In accordance with the Roadmaps, a pool of 934 investment projects was compiled for a total amount of 4.4 trillion tenge.

From this pool of projects, the main major areas have been identified:

- Meat livestock farming (feedlots, reproducers, slaughterhouses, meat processing plants) - 301 projects worth 1 trillion tenge;
- Greenhouse complexes - 67 projects worth 1 trillion tenge;
- Dairy farming - 186 projects worth 452 billion tenge;
- Poultry farming - 47 poultry farms worth 373 billion tenge;
- Processing of crop products - 73 projects worth 300 billion tenge.
- Sugar production, total project amount 228 billion tenge.
- Intensive gardening - 32 projects worth 100 billion tenge.
- Within other areas, it is planned to implement 225 projects totaling 834 billion tenge, which include projects on irrigation, seed production, food production, etc.

According to the approved Roadmaps, out of 285 projects planned for 2021 worth 267 billion tenge, as of December 31, 2021, 281 projects worth 255 billion tenge were put into operation.

In 2022, it is planned to study the possibility of concluding an Investment Agreement between the Government of the Republic of Kazakhstan and the following companies:

"Tyson Foods" under the project "Production of cattle meat with the participation of Tyson Foods";

“KS Genetics” for the project “Creation of an innovative, export-oriented full-cycle livestock complex in the Almaty region”;

“QAZSUGAR” LLP for the project “Construction of a sugar factory with a processing capacity of up to 8000 tons of sugar beets per day”;

Prima Kus LLP for the project “Construction of a closed-cycle poultry complex for the production and processing of broiler meat”, etc.

In addition, according to the approved Roadmaps, it is planned to commission 308 investment projects worth 573 billion tenge.

Issues of financing the rural economy in the monograph are studied in more detail using the example of the Northern Kazakhstan region. In this case, the analysis indicates that it is rural farming that is the main type of activity of the North Kazakhstan region, forming $\frac{1}{4}$ or 25% of the gross regional product of the region. With this, 72% of the product is the result is crop production, and 27% is livestock production.

The Northern Kazakhstan Region, according to statistical data, ranks last 17th place in the republic in terms of investment volumes. The greatest priority for investment is rural economy (38%) and industry (26%). In general, 2015-2019, there is the total number of volumes of investments and in that the agricultural sector of investments positive dynamics. Thus, in 2019, the volume of investments increased by region 1.5 times and compared to 2015 and amounted to 234.5 billion tenge. Investments in rural the farm NCR over the past 5 years increased at 2.4 times from 44.0 billion tenge in 2015 to 106.6 billion tenge in 2019. Positive effects dynamics are observed in the sphere of government spending and development of rural areas of the economy.

Our analysis revealed trends in the structure of financing sources of agriculture in North Kazakhstan. Throughout the analyzed period, the specific weight shifted in favor of state expenditures. Thus, government expenses in the rural economy of the North Kazakhstan region increased 3 times for the analyzed period and amounted to 53.3 in 2019 billion tenge, and their share reached 33.3%. Consequently, for the analyzed period from 2015–2019, there is an increasing trend in the share of financing rural economy of the North Kazakhstan region in the state budget account of funds. SKO the capital is the largest share of investment in costs. There are costs in the acquisition of machines, equipment and tools. In 2019, there was purchased equipment worth more than 63 billion tenge, which is 2 times more than the same as the indicator in 2015. The positive economic results were achieved due to the implementation of the Comprehensive Plan Development Plan adopted in 2018. To today extend the actions in 2025 supported by the plan up to the Chapter of the State. The framework of the plan, considering new initiatives planned: rural the farm has construction of 52 dairy farms, 8 fattening farms sites, 3 poultry farms, opening 10 new farm industry enterprises, ensure growth of SME shares of GRP up to 35%, and also increase labor productivity on rural the farm by 3 times, create about 15 thousand new worker places which will generally ensure GRP growth to a level of 4% in 2025.

It should be kept in mind that a significant part of the budget allocated funds of the state for agriculture, the farm was financed through KazAgro Holding. In the overall lending economy, the share of “KazAgro” in 2019 was about 80% of all loans, since “KazAgro” was part operator of the implementation of the financial support projects of the state of the agro-industrial complex and a number of other agro-industrial complex development programs. The holding was engaged in the distribution of financing for its subsidiary companies: JSC "Agrarian Credit Corporation" ("ACC"), JSC "Fund for Financial Support of Agricultural Farms" ("FFPSH") and JSC "KazAgroFinance" (JSC "KAF").

Our analysis of the activities of NMH “Kazagro” showed that in recent years its financial condition has been unstable, due to the unfavorable economic phenomena in the financial market of the country, devaluation of the national currency and banking default on Kazakhstan’s agricultural loans sector. The holding was not subject to the influence of deteriorating macroeconomic factors due to external foreign currency loans, and ultimately suffered losses. As of the beginning of 2019, the loss of the holding amounted to about 400 billion tenge. Loss was associated with low levels of automation of business processes, corruption risks and opacity of decisions made.

At the same time, Kazagro and JSC NUH present in its subsidiaries, companies bureaucratic style management, rigid administration, producing a huge number of documents confirming each other's salaries, bonuses in comparable numbers of administrative apparatus, management and of performers, countless inspections of the use of budgetary funds limiting the initiative of institutions in terms of the application of non-standard ones decisions served as the basis for measures to reorganize this institution.

It is important to note that in December 2020, major changes took place in the field of managing financial flows in the agro-industrial complex of the Republic of Kazakhstan. The financial institutions of the development of the agro-industrial complex were reorganized. In particular, in accordance with the instructions of the Head of State K. Tokayev within the framework of the message to the people of the Republic of Kazakhstan dated September 1, 2020 “Kazakhstan in a new reality: time for action” National Management Holding “Baiterek” JSC (hereinafter referred to as “NMH “Baiterek” JSC”) and NMH KazAgro JSC were merged into a single Holding by Decree of the Government of the Republic of Kazakhstan dated December 31, 2020 No. 952 “On the reorganization of joint stock companies “National Management Holding “Baiterek” and “National Management Holding “KazAgro”.

In particular, the following measures were taken:

- 3 subsidiaries of NMH KazAgro JSC: (Agricultural Credit Corporation (ACC), Kazagro finance JSC (KAF) and Financial Support Fund for Agriculture JSC (FFPSH) were transferred to the united Holding Baiterek NMH JSC in as subsidiaries;
- Kazagro finance JSC (KAF) became a subsidiary of Agricultural Credit Corporation (ACC) JSC, which provides leasing financing in agriculture; - JSC “Fund for Financial Support of Agriculture” (FFSS) was also transferred to ACC, which performs the functions of an operator for insurance in the agro-industrial complex, lending to micro-businesses and the functions of an agent for “Rural Mortgage” within the framework of the project “With a Diploma to the Village”;
- Finally, the liquidation of JSC “Fund for Financial Support of Agriculture” (JSC “FFPSH”) was carried out.

It should be borne in mind that according to the Decree of the Government of the Republic of Kazakhstan No. 820 dated December 11, 2018 “On some issues of ensuring long-term tenge liquidity to solve the problem of affordable lending” for the implementation of strategic objectives to expand production in the manufacturing industry and in the agro-industrial complex

and in order to saturate the domestic market for goods and services of domestic producers, JSC Agrarian Credit Corporation (ACC) became the Operator for financing priority projects for the production and processing of agricultural products along with second-tier banks.

The Agrarian Credit Corporation (ACC) banks annually, using budget lending funds, finances agricultural entities, including end borrowers of second-tier (STBs), microfinance organizations (MFOs) and credit partnerships (CPs) with repayment of the principal amount at the end of the spring period - field and harvesting work for a period of 1 year.

Considering the need to provide the domestic market with domestic products and in order to increase the country's export potential, there is a need to allocate budget funds to Agrarian Credit Corporation JSC (ACC) to increase its authorized capital, in the volumes provided for by the documents of the state planning system of the Republic of Kazakhstan.

To solve this problem, Agricultural Credit Corporation JSC has developed a Strategy for its development for 2020-2023, taking into account the Strategy "Kazakhstan-2050": the new political course of the established state, the National Development Plan of the Republic of Kazakhstan until 2025, the State Program for the Development of the Agro-Industrial Complex for 2017 -2021, the National Project for the Development of the Agro-Industrial Complex of the Republic of Kazakhstan for 2021-2025, as well as on the basis of the Development Strategy of Baiterek National Holding JSC and other documents of the state planning system of the Republic of Kazakhstan, where the mission, vision, and strategic directions of development were defined. Agricultural Credit Corporation (ACC), its goals, objectives and key indicators of its activities for 2020-2023.

According to the Strategy, ACC JSC is also called upon to work to expand cooperation of the Republic of Kazakhstan with international financial organizations and implement measures to reduce the share of state participation in the economy, increase the stability of the financial system of the Republic of Kazakhstan as a result of tightening banking legislation and the transition of second-tier banks to Basel III.

Along with this, during the study, various factors were identified that have a negative impact on the development of the agro-industrial complex and the financial sector - this is the volatility of the foreign currency exchange rate against the tenge as a result of Kazakhstan's transition to an inflation targeting regime and a freely floating exchange rate of the national currency. The fact is that with an increase in the exchange rate of foreign currency, the cost of imported agricultural machinery and equipment increases, and the ability of financial institutions and agricultural enterprises to attract long-term financial resources on external capital markets is greatly deteriorated, which has a negative impact on the modernization of agribusiness.

In turn, a positive economic factor in the development of the agro-industrial complex is the increased economic integration of countries within the WTO, EAEU, CU and SCO, which is aimed at increasing the access of the country's agriculture to large markets located near Kazakhstan.

At the same time, economic integration promotes increased competition in the food market on the part of foreign agricultural producers, which creates the need to increase the economic efficiency of small and medium-sized peasant (farmer) farms and enterprises of the Republic of Kazakhstan. In turn, positive preconditions for the development of agriculture in Kazakhstan are created by population growth and an increase in its standard of living, increasing the need for financial services, as well. on the other hand, increasing the population's demand for food products.

The most significant limiting factors in the access of agricultural entities to financial services are the outflow of the working-age population from rural areas, the absence or insufficiency of a collateral base, as well as the rather low level of income in rural areas, which has a negative impact on the solvency of small agricultural entities.

Negative factors affecting the efficiency of financing agricultural producers is the information asymmetry between financial institutions and agricultural entities, which manifests itself as a result of the absence or low quality of financial reporting and the level of awareness of agricultural entities about the conditions and possibilities of financing .

Among the technological factors that have a negative impact on the activities of agricultural producers is the significant deterioration of agricultural machinery and equipment, which causes an increase in the need of agricultural producers for financial resources to renew fixed assets. This need ensures high demand for leasing and credit products.

A positive factor in developing the accessibility of financial services and minimizing information asymmetry is the development of the Internet and mobile services in rural areas.

In the medium to long term, there will be a need for green technologies that improve energy efficiency and productivity.

As for lending by second-tier banks (STBs) to market entities, it should be noted that there are positive trends in the dynamics of their lending. So, in 2019 they amounted to about 14 trillion tenge, which is 9% more than in 2015.

However, a credit trend observed in the dynamics of second-tier agriculture is reverse. Lending to agricultural producers fell sharply from an absolute 654 in 2015 to 254 billion tenge in 2019, and consequently, decreased in general lending to the economy of the second-tier banks share from 5.2 to 1.8%.

In Kazakhstan, a large part of the subjects of the agro-industrial sector complex consists of SMEs, but these subjects do not have sufficient financing opportunities to obtain for the account of second-tier banks, in the low- number of long-term loans connections and fear of occurrences of risks associated with the irrevocability and of others risks.

Studying the global experience of financial support of the agricultural sector, and also the analysis of financing carried out by us and lending to the agro-industrial complex through the JSC NMH "Kazagro"

indicates that the system of financial support of the agro-industrial complex needs radical modernization.

This justifies the need to create a specialized bank to serve agricultural entities based on proof of the integrity of adapting the experience of the USA, Canada, Germany, France, China, and the Netherlands. Authors are invited to create a “Development of the Rural Bank of the economy”, since the creation of the availability of subjects of the agricultural market resources for financing will allow to provide it with lending.

At the same time, about the main goal of the activity of “Economy Bank Rural Development” will be the presentation of interests of rural economy as a segment of banking lending at national and international levels, development of financial support issues of basic directions of agricultural policy together with the Ministry of Agriculture of Economy of the Republic of Kazakhstan; interaction with the National Bank of the Republic of Kazakhstan in the sphere based refinancing on preferential; refinancing of commercial banks and credit cooperatives with the goal of further providing credit for agricultural services production to all categories; investment lending to rural farms; development of land and mortgage lending.

In addition to state support, the operation of the “Development of the Rural Bank of Economy” may allow the attraction of farmers to form its charter capital. This cooperation is one of the prerequisites for the functioning of the industry of the bank in Kazakhstan, since banks providing farmers, who receive loans and become full partners. Under such conditions, banks are interested in the results of business of farmers because they can provide certain lending options with preferences. Attracting capital borrowers in the form of a credit portfolio is possible on self-supporting terms and of the interest of the latter in investing money.

The authors of developed the “forecasting Investment Model in the Main capital of the Rural economy of the Republic of Kazakhstan” based on the use of methods of economic mathematical modeling of agribusiness for domestic development. This multiple-based regression linear model is constructed. Its main one goal is the construction of a model with a large number of factors, if this the influence of each of them individually is necessary to determine, and also their total impact on the modeled indicator-investments in the main capital of the rural economy areas of the region.

The factors that to the most extent influence on the results indicator are calculations mathematically based on substantiated choice. In the model forecasting investments the main capital of the rural economy of the Republic of Kazakhstan most, on the significant factors influencing factors the inflow of investments are: 1) investments the account of own funds of enterprises into the main capital of the rural economy of the regions for; 2) gross output of agricultural regions (services) of the economy; 3) specific weight of investment in account of basic capital rural areas of economy for regions own funds enterprises; 4) the specific weight of production of the population in the gross output of agricultural output (services) of the economy by region.

From considering these factors, calculations of forecasts were made for the future 5 years of volumes of basic capital rural economy investment in

for each region and of the republic as a whole, for 2020-2024. The model shows that by 2024 the increase in investment in the main rural economy capital in the republic will be about 6-7% per year. In general, for 2020-2024 in the Republic of Kazakhstan, investment in basic capital of rural economy is projected to be more than 3 trillion. tenge

On Today's day, the biggest acute problem facing small and medium-sized farms is the lack of working capital. As shown that the study's annual level of banks of the second are reducing the volumes of funding for subjects of the agro-industrial complex. The reasons for this are why are the industry and the peasants' pledges fear high of the risks.

In this connection, it is proposed to introduce a new financial instrument for stimulating the development of agricultural producers, such as electronic agricultural receipt, which has been successfully applied in Brazil and Ukraine. This financial tool protects not only the farmer's, but also the investor.

The resources authors also published a new mechanism issue of electronic agricultural receipts solutions for the digitalization of financial accessibility services problems for small agricultural production producers. The Rural Economy Development Bank is again invited to the created to this provide the powers of the operator with the functioning of electronic to be the recipients of agricultural. The application of electronic agricultural receipts in the future will be, the manufacturer's focus on production in-demand market products and to build in the country's adequate market-based production structure to the requirements of the agricultural sector. Financing Agricultural producers through electronic agricultural receipts will create a unique instrument to protect domestic manufacturers from the worst product competition from imported suppliers.

THUS, THE THEORETICAL AND PRACTICAL SIGNIFICANCE OF THE STUDY

Lies in the development of specific proposals and recommendations for improving the forms and methods of financing the agro-industrial complex in the context of modernization of the economy of Kazakhstan. The practical significance of the study lies in the fact that the developed Model for forecasting investments in fixed capital of agriculture of the Republic of Kazakhstan will ensure accelerated technological renewal of fixed assets in agriculture and will increase labor productivity and the competitiveness of products produced by agricultural producers The proposed theoretical provisions for improving the financial support of agriculture contribute to the implementation of the tasks set in the "Strategy "Kazakhstan-2050": a new political course of an established state", as well as in the implementation of the National Project for the development of the agro-industrial complex of the Republic of Kazakhstan for 2021-2025.

REFERENCES

- Message from the President of the Republic of Kazakhstan Nursultan Nazarbayev to the people of Kazakhstan Strategy "Kazakhstan (2012). A new politically accomplished state". Available online at: http://www.akordakz.ru/events/astanakazakhstan/participation_in_events/
- Annual report of JSC NUH KazAgrofor (2019). kazagro.kz/godovoj-otchet-holdinga-za-2019-god/

- Official website of the Ministry of the National Economy Republic of the Statistics Kazakhstan Committee. Basic funds of the Republic of Kazakhstan for (2015). Available online at: <https://stat.gov.kz/official/industry/27/statistic/5>
- Message from the Head of State K.K. Tokayev to the people of Kazakhstan (2022). A fair state. One nation. Prosperous society. Available online at: https://www.akorda.kz/ru/addresses/addresses_of_president/poslanie-glavy-gosudarstva-kasym-zhomarta-tokaeva-narodu-kazahstana-1-sentyabrya-2022-g
- Official website of the Ministry of National Economy of the Republic of Statistics of the Kazakhstan Committee. About the investment activities of the Republic of Kazakhstan for (2015). Available online at: <https://stat.gov.kz/official/industry/161/statistic/5>
- Official website of the Ministry of National Economy of the Republic of Statistics of the Kazakhstan Committee. Available online at: <https://stat.gov.kz/official/industry/11/statistic/7>
- Decree of the President of the Republic of Kazakhstan “On approval of the list of national projects.” Nur-Sultan, Akorda (2021). Available online at: <https://akorda.kz/ru/ob-utverzhenii-perechnya-nacionalnyh-proektov-1391918>
- Results of the development of the agricultural sector for and plans for the coming period (2021). Available online at: <https://primeminister.kz/ru/news/reviews/itogi-razvitiya-sfery-selskogo-hozyaystva-za-2021-god-i-plany-na-predstoyashchiy-period-2422#>
- Shmarlovskaya, G.A., Ramazanova, S.h., Kuchukova N.K, & Gumilyo, L.N. (2020). Financial incentives to increase the efficiency of activities of the agro-industrial complex of the Republic of Kazakhstan.
- Belyanichev V. G., Savderova A. F. (2019). Assessment of the influence of investments in the volume of the main capital of the gross regional product. pp: 15-21.
- National project for the development of the agro-industrial complex of the Republic of Kazakhstan for (2021). Available online at: <https://primeminister.kz/ru/nationalprojects/nacionalnyy-proekt-po-razvitiyu-agropromyshlennogo-kompleksa-respubliki-kazahstan-na-2021-2025-gody-159444>