

THE HISTORY OF LARGE-SCALE FARMS IN THE BREEDING OF CATTLE IN THE KYRGYZ REPUBLIC (1991-2017)

Bektemirova A.K.

Naryn State University named after S. Naamatov, Kyrgyz Republic, e-mail: bijjmursaeva-burul@rambler.ru

The article examines the history of the formation and development of large-scale farms that bred cattle during the agrarian and land reform in the Kyrgyz Republic, on the basis of archival documents. The main attention was paid to the reasons for success in the production and development of agricultural products of large-scale farms, cattle breeding farms and the factors hindering their development. Based on the statistical data, the growth of cattle population in private breeding farms, the state of livestock production and livestock productivity indicators were analyzed. Also the achievements and progress in the development of experience in the above mentioned period were highlighted. It was noted that the lack of financial support and an absence of a single flexible policy on the part of the State lead to difficulties for the further successful operation of large farms and private breeding farms. The article also mentions the major role of large scale breeding farms in carrying out the valuable tasks on selection of livestock husbandry, the implementation of the latest achievements of science and technology in the production, automation and specialization of production. The article uses data from the field records of the researcher, reflecting conversations with the heads of large-scale farms and private breeding farms.

Keywords: the Kyrgyz Republic, land and agrarian reform, pastoral dairy farming, breeding farms, cooperatives, large-scale farms, cow breeds, productivity

More than 60% of the population of the Kyrgyz Republic live in rural areas, 40% of the working-age population is employed in the agricultural sector, therefore, the main source of family income comes from livestock and agricultural products. The natural and climatic conditions of the country contribute to the successful development of animal husbandry, of which 83% or 9.6 million hectares of agricultural land is herbage mountain pastures. During the years of reforming agriculture in Kyrgyzstan, large-scale farms that have achieved high productivity have emerged in the regions of the country, as well as hundreds of farmers and heads of peasant farms, who have achieved significant success in increasing livestock numbers and productivity, increasing crop yields and growing their own income. For example, large-scale farms such as "MIK" and "Kirovets" of Issyk-Ata district, "Vetka" of Alamudun district, "KOSO" and "Rassvet" of Sokuluk district, "Zavety Ilyicha", "F. Engels", "Rossiya" of Moscow district "Zhayil" of Zhayil district of Chui oblast, "Zarya" of Ak-Suu district of Issyk-Kul oblast, "Abubakir" of Kara-Suu district of Osh oblast turned into profitable farms producing livestock products.

To date, the most promising form of agricultural production regardless the form of ownership are large agro-industrial enterprises. As the practice of the USA, Germany, France, Netherlands and other economically developed countries show, the labor productivity of large-scale farms is 1.5-2 times higher, and the cost of production is several times lower compared to small farms. For instance, according to the US statistics, small farms selling annually goods in the amount of \$5 000 make up about 34% of

the total number of working farms in the USA, producing only 3-4% of the total agricultural products, the annual loss of the farmers is \$700 million [1, pp.12-15]. In recent years, U.S. agricultural production has shifted to large-scale family and non-family farms with annual gross income (GCFI) of more than \$ 1 million, which is half the cost of U.S. agricultural production. This comparison takes account of inflation in prices for agricultural products, therefore, reflects the shift of production towards large-scale farms [2]. In Russia, about half of the industry's goods are produced by large agricultural enterprises, and only 2% – by small farms. The volume of cattle and poultry meat production (live weight) produced by peasant farms and individual entrepreneurs of the Russian Federation in 2017 amounted to only 3% [3, p. 350].

In the Kyrgyz Republic, livestock production is accounted for by small private peasant farms and small household farms. But, in terms of labor productivity, large enterprises maintain better yields. This is proven by the experience of some large-scale farms in our country. For instance, the "Chabrets" breeding farm in Frunze district of the Sokuluk district of the Chui oblast was established in 2000, which raises Alatau and Black-and-White cattle as well as some German pig breeds. In 2007, out of 150 heads of cattle on the farm, 50 were purebred, with 80 calves received from 100 cows. In the same year, the average milk yield per cow was 4390 kg [4, p.206]. According to the Decree of the Government of the Kyrgyz Republic No. 285 dated November 18, 2010, this breeding farm was given the status of "Farmer Cattle Breeding Plant Chabrets". By 2017, the plant bred 849 heads of Alatau, 436

heads of Holstein-Friesian, 76 heads of Aberdeen-Angus breed of cows and 436 heads of a large white breed pigs. In 2017, 760.7 tons of milk and 98.7 tons of meat were produced. On average, 4285 kg of milk was obtained from each cow, with 91 calves from 100 cows [5]. This shows the annual increase in livestock numbers and the achieved success in the production of livestock products. The breeding plant processed meat and dairy products, and sold them in the domestic market of the country. The farm has become profitable through integrated veterinary services, year-round indoor breeding of livestock, year-round calving, and rational use of feed.

All livestock farming complexes of the breeding plant are equipped with modern milking machines, refrigeration units and equipment for the preparation and distribution of feed. The automation of the major industrial processes at the plant led to the achievement of high quality in the meat and milk production.

In 1995, the "MIS" (Machine Testing Station) of the Kant district received 5,000 liters of milk from each of 1,800 dairy cows, and 95 calves from 100 heads [6, pp.7–8]. In 2001, "MIS" received a net profit in the amount of 30.2 million soms. The level of profitability of the farm exceeded 50%, and the labor productivity for each member of the cooperative was 402 thousand soms of wholesale products [7, p. 170]. This is several times higher than the indicators of peasant farms in the country.

By 2017, the farmer breeding plant "MIS-Sut" had 1993 hectares of arable land, bred 1,854 head of cattle (including 925 cows) of the Holstein-Friesian dairy breed. With each cow, the farm received 5850 kg of milk, with 100 heads – 81.3 calves. In the same year, the cooperative produced 151.4 tons of meat, 5223 tons of milk [8]. This means that in the first years of the agrarian-land reform and in its subsequent period the economy reached a stable development. The productivity of the dairy cows on the farm was much higher than in the rest of country, this is due to the continuous breeding and selection work of the "MIS-Sut". This proves that in the last few years the milk yield from each dairy cow remained 5700–6600 kg. The country's average annual total productivity was 2000–2200 kg per cow.

Cooperative "Vetka" (former Lenin collective farm) in the years of agricultural reform managed to preserve its production resources, land and livestock. In 1991, it was legally registered as an agricultural cooperative. In the first years of the agrarian-land reform (1992–1995), the farm was on the verge of bankruptcy, its

losses amounted to 12 million soms. Since 1996 under the leadership of the honored worker of agriculture of the Kyrgyz Republic Orel Boris Abramovich and efforts of the whole team, the farm began to develop and its economic rise began. Cooperative "Vetka" (the current head is Mustakov S.), one of the few farms in the country, producing agricultural products in large volumes. The farm also breeds purebred horses. In 2005, "Vetka" cooperative bred over 3,467 heads cattle (including 1,214 dairy cows), 266 horses, wholesale milk production amounted to 7,072 tons, annual milk yield from each cow amounted to 6,049 liters of milk [9, p.58]. In terms of milk yield from each cow, the cooperative "Vetka" showed a high result in the country. Over 400 cooperative members were provided with stable high wages and low-priced agricultural produce. The agricultural cooperative "Vetka" was obtaining its main income from livestock husbandry. In 2010, its income from the livestock production was 76.7 million soms, from the sale of milk – 58.6 million soms, cattle (live weight) – 12.4 million soms [10, p.13]. The labor productivity and profitability of this dairy cooperative is much higher compared to small-scale peasant farms and households farms in the country.

Cooperative "Vetka" had reached some high economic indicators using the achievements of scientific and technological progress, the mechanization of the production process, and improvement of the breeding qualities of cows. But, in recent years, the number of livestock in the farm has decreased. In 2010, there were 2500 thousand cattle (including 774 cows), 200 horses, producing 4631 kg and 3643 kg of milk from each of the cows respectively [11]. The reduction of arable land and reduced forage have caused a decrease in livestock on the farm. In addition, payments to the Social Security, high tariffs for electricity and for the use of irrigated land, the high cost of fuels and lubricants, unbalanced tax policy towards cooperatives, difficulties in the marketing of the produce have become obstacles to the successful functioning of the farm. The absence of the processing industry on the farm also had a negative impact.

In the years under review, along with large-scale farms, personal private farms for breeding cattle were organized on the personal initiative of citizens. For example, farm "Bakyt" (head A. Musienko) was established in 1994 in the village of Pervomai, of Sokuluk district, starting with only 4 cows, 100 sheep and 18 hectares of land. In 2003, the farm had already grown to 60 heads of cattle, including 40 heads of cows. The arable land of the farm had

reached 93 hectares. During those years each cow produced over 4,300 liters of milk [12]. A dairy mini-factory built with the help of Israel operated in the farm. The mini-plant produced various dairy products (cheese, sour cream, cottage cheese, yogurt, etc.), 2.5 tons of milk was processed daily. This success was achieved through the introduction of new technologies in farming, improving the breed composition of cattle and feed composition, proper organization of labor and livestock breeding. In addition, the processing industry was developed on the farm, so the profitability was high compared to other farms, since processing of raw goods was more profitable than selling it.

Due to the insufficient and poor development of the processing industry in the Kyrgyz Republic, many farms in the regions faced difficulties in marketing their products. Established in 1996, the Bakyt breeding farm (head Kakhar Eshkozuev) in the Suzak district of the Jalal-Abad oblast, bred over 10 cattle on the farm, in 2017 their number reached 200 heads (including 90 cows). The farm bred Alatau beef cattle breed. The total land used by the farm was 146.5 hectares, of which 46.5 hectares were of arable land, 100 hectares of land was leased by the redistribution foundation. According to the head of the enterprise K. Eshkozuev, there were considerable difficulties in the marketing the farm produce. Very high land tax and rent for breeding farms, they were not able to purchase breeding cows, because of the high cost. There were no milk processing enterprises in the Jalal-Abad region, therefore the cost of breeding cattle does not pay for itself [13]. Thus, the existence of the above mentioned problems, the lack of financial support from the state and the absence of a single flexible policy for breeding farms all together contribute to the difficulties in the development of such farms.

State support for large-scale farms and other farms should be implemented through subsidies, primarily by bringing the number of breeding cows to the level of sold breeding cattle.

In order to improve the genetic resources of breeding livestock, to establish and support breeding farms, to improve the productivity of cattle, on December 15, 2017 the Government of the Kyrgyz Republic adopted a Resolution No. 812 "On the payment of state subsidies to the entities that have been granted the status of a breeding plant or a breeding farm by the Government of the Kyrgyz Republic". Unfortunately, until today, the subsidies have not yet been paid to the breeding farms due to the state budget deficit.

The above mentioned facts prove that large-scale breeding farms, compared to small peasant and private farms, are highly productive and achieve higher results. But there are very few large farms in the Kyrgyz Republic, therefore their share in the production of farming products in the country remains low.

The preservation of large-scale farms, the increase in their numbers, the intensification and specialization of agricultural production, will make it possible to shift to modern developed forms of livestock breeding. Feeding animals using new equipment and production technologies, will open the way to introducing efficient methods of feeding them.

Therefore, the existing large-scale farms need state support: it is necessary to give them additional arable land, lower their rent, develop a mechanism for simplified flexible tax policy, lower electricity tariffs, provide quality seeds for breeding animals, open processing plants in the regions, etc. In addition, large-scale cattle farms need to develop their own processing industry. The development of large-scale farms will stimulate the growth of the economy of the Kyrgyz Republic, suitable conditions will be created for the export of manufactured local produce.

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