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Agricultural development along the Silk Road under scrutiny

Academics from various disciplines gathered at a conference at the Kazakh National Agrarian University in Almaty to discuss agricultural development opportunities in Central Asia.

Halle (Saale), Germany, 14 April 2016 – The focus of the IAAE Inter-Conference Symposium "Agricultural Transitions along the Silk Road", held 4 – 6 April in Almaty, Kazakhstan, was the competitiveness of producers, changes in land use, integration of markets and the role of state agricultural policy. While cotton production and livestock have become less important since the end of the Soviet Union, governments are increasingly focusing attention on the diversification of agricultural sectors. Current initiatives to develop infrastructure and trade appear promising, but they remain subject to effective implementation. The further professionalization of public services in agriculture, the expansion of the value chain by facilitating market access and reduction of arbitrary government intervention are at the top of the reform agenda.



More than 200 scientists from 25 nations took part in the conference. © KazNAU

Keynote speaker Professor Richard Pomfret of the University of Adelaide in Australia highlighted the positive signals for a reduction of trade barriers in Central Asia through trade agreements and improved transport infrastructure. He cited as examples the expansion of the Eurasian Economic Union, the China-initiated "Silk Road Economic Belt" and the reintegration of Iran into the world economy. The currency devaluations in recent months could also increase the competitiveness of agricultural exports. However, according to David Sedik

of the Food and Agriculture Organization of the United Nations (FAO) formal integration steps do not necessarily inspire trade in the agricultural sector. He presented studies which looked at the standardization of tariffs and a common food safety control system as a basis for the free movement of goods in the agricultural sector. According to these studies, such goals are still far from reach within the Russian dominated Eurasian Economic Union. According to Sedik, important reasons for this include the subjugation of trade under foreign policy and a lack of trust among member countries.

The ban on imports of agricultural goods from the West to Russia resulted in new market opportunities for Central Asian producers of fruits and vegetables. However, several speakers pointed out that the market prices obtained by farmers for agricultural goods were too often dictated by monopolistic intermediaries and arbitrary tax collectors who skim the essential part of the margin between producers and consumers in the Russian cities.



Professor Martin Petrick (1. from left) and Nodir Djanibekov (2. from left) from IAMO present the results of the AGRIWANET project. © KazNAU

During the conference, the Germany based Leibniz Institute of Agricultural Development in Transition Economies (IAMO) presented interim results of the project "AGRIWANET - Agricultural Restructuring, Water Scarcity and the Adaptation to Climate Change in Central Asia: A Five-Country Study". The project is funded by the German Federal Ministry of Education and Research (BMBF). The researchers showed that all five Central Asian countries have substantially increased production of cereals in recent years. However, in Turkmenistan and Uzbekistan,

these changes were not due to the adoption of market opportunities through agricultural entrepreneurs or improved trading options, but to government standards and delivery obligations aiming at national self-sufficiency in food staples. The project leader, IAMO researcher Professor Martin Petrick, pointed to major differences between the countries' agricultural policies in other areas. Thus, Kazakhstan increased tenfold expenditure on agricultural support from around 20 billion Tenge in 2004 to nearly 200 billion in 2014. Many of the measures, however, were not properly targeted and led to deadweight effects. On the other hand, Kyrgyzstan and Tajikistan are almost exclusively dependent on the contributions of international donors when it comes to their agricultural policy. Many donor projects aim at improved management of irrigation infrastructure. However, experiences in the transfer of good practices from other regions of the world have been quite disillusioning. Local elites would often abuse such projects for their own objectives and, according to Petrick, wider participation of water users in decision-making for water distribution is rarely observed.

In total 90 presentations and posters on a large variety of subjects were presented at the conference. In a conference block organized by the International Food Policy Research Institute (IFPRI), issues of climate change and food security in Central Asia were addressed. In a workshop on the organization of value chains and the role of agricultural policy, the results of the research project "The Global Food Crisis - Impact on Wheat Markets and Trade in the Caucasus and Central Asia and the Role of Kazakhstan, Russia and Ukraine (MATRACC)" were discussed. Another thematic focus was on land use changes, where, among others, progress in the dynamics of land use and understanding of the pattern of land cover change in Central Asia was presented.

Around 200 academics from 25 countries and 60 different institutions attended the conference. The event was jointly organized by the International Association of Agricultural Economists (IAAE), the Kazakh National Agrarian University (KazNAU) and IAMO and financially supported by the German Federal Ministry of Education and Research, the IAAE, Incubate Incubator Accelerator and the Center of Applied Research Talap.

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More than 200 scientists from 25 nations took part in the conference. © KazNAU
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Prof. Dr. Martin Petrick (1. from left) and Dr. Nodir Djanibekov (2. from left) from IAMO present the results of the AGRIWANET project. © KazNAU

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About IAMO

The Leibniz Institute of Agricultural Development in Transition Economies (IAMO) analyzes economic, social and political processes of change in the agricultural and food sector, and in rural areas. The geographic focus covers the expanding EU, transition regions of Central, Eastern and South Eastern Europe, as well as Central and Eastern Asia. IAMO works to enhance the understanding of institutional, structural and technological changes. Moreover, IAMO studies the resulting impacts on the agricultural and food sector as well as the living conditions of rural populations. The outcomes of our work are used to derive and analyze strategies and options for enterprises, agricultural markets and politics. Since its founding in 1994, IAMO has been part of the Leibniz Association, a German community of independent research institutes.

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