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**STATE REGULATION OF BIOFUEL USE IN AGRICULTURE  
OF THE REPUBLIC OF KAZAKHSTAN**

*The article considers the state regulation of biofuel resource potential use in agriculture of the Republic of Kazakhstan. On the basis of the carried out analysis the model of state regulation for biofuel use is offered. It consists in creation of standard legislative basis, increase of inpayment, financing innovative support, using priority regional projects of industrial and innovative development of the East Kazakhstan region.*

*Keywords: biofuel; resource potential; agriculture; state regulation.*

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**ДЕРЖАВНЕ РЕГУЛЮВАННЯ ВИКОРИСТАННЯ БІОПАЛИВА  
У СІЛЬСЬКОМУ ГОСПОДАРСТВІ РЕСПУБЛІКИ КАЗАХСТАН**

*У статті розглянуто проблеми державного регулювання використання біопалива в сільському господарстві Республіки Казахстан. На основі проведеного аналізу запропоновано модель державного регулювання використання біопалива, яка включає в себе створення нормативно-законодавчої бази, збільшення надходжень до фондів інноваційної підтримки, пріоритетні регіональні проекти індустріально-інноваційного розвитку Східно-Казахстанської області.*

*Ключові слова: біопаливо; ресурсний потенціал; сільське господарство; державне регулювання.*

*Рис. 1. Літ. 15.*

Зухра М. Турдієва, Віктор С. Кухар, Бейбіт С. Корабаєв  
**ГОСУДАРСТВЕННОЕ РЕГУЛИРОВАНИЕ ИСПОЛЬЗОВАНИЯ  
БИОТОПЛИВА В СЕЛЬСКОМ ХОЗЯЙСТВЕ  
РЕСПУБЛИКИ КАЗАХСТАН**

*В статье рассмотрены проблемы государственного регулирования использования биотоплива в сельском хозяйстве Республики Казахстан. На основе проведенного анализа предложена модель государственного регулирования использования биотоплива, включает создание нормативно-законодательной базы, прирост отчислений средств в фонды инновационной поддержки, приоритетных региональных проектов индустриально-инновационного развития Восточно-Казахстанской области.*

*Ключевые слова: биотопливо; ресурсный потенциал; сельское хозяйство; государственное регулирование.*

**Problem statement.** State regulation of the agrarian sector consists in having real influence on the development of economic relations in agriculture. Decrease of innovative processes in agriculture have negative impact on the sector in general, because half of branches in Kazakhstan's economy is connected with the agrarian sector (Ushacheva et al., 2006).

Unfortunately, today state support of agriculture sector in Kazakhstan is at a very low level. Transition of the economy to market functioning is followed by the growing lag in scientific, technical and technological spheres in comparison with industrially developed countries. According to the research results real costs of innovative

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processes in agriculture were reduced more than 5 times during the last 5 years though resource providing grows, therefore it is necessary to find effective solutions to this problem.

**Latest research and publications analysis.** A large number of works of the following scientists is dedicated to the issues of the resource potential use: A.B. Badiovsky (1986), B.I. Dragaicev (1994), A.P. Zinchenko (1995) and others. At the same time, the problem of state regulation of biofuel resource potential in agriculture, in particular in the Republic of Kazakhstan, is practically not studied.

**The research objective** is carrying out deep analysis of biofuel resource potential regulation in agriculture of Kazakhstan.

**Key research findings.** Resource potential is formed taking into account the resource balance of economy and the satisfaction of society needs. Analysis of the current condition of agriculture has been presented in the Resolution of the Government of the Republic of Kazakhstan as of April 14, 2010 No. 302 "On the approval of the plan of measures of the Government of the Republic of Kazakhstan on realization of the State program on the industrial and innovative development of the Republic of Kazakhstan for 2010–2014" and it can be said that resources for ensuring innovative development of agriculture are increasing.

Innovative activity has to be the priority at the regional level where it finds its practical application. Each region of Kazakhstan has to approach the solution of innovative activity problems taking into account local features, opportunities and traditions. Development of international scientific and technical cooperation, expansion of foreign economic relations, creation of large joint innovative projects carried out in interaction with foreign partners has the increasing impact on the development of regional innovative activity.

Today the state carries out a number of functions on regulation and support of agriculture development. One of such directions is the development of national program. Within implementation of the national project in 2010 the Ministry of Agriculture of the Republic of Kazakhstan approved the Program for development of agroindustrial complex in the Republic of Kazakhstan for the period 2010–2014 (Resolution of the Government of the Republic of Kazakhstan, 12.10.2010, # 1052).

According to the Regional program of industrial and innovative development of the East Kazakhstan region for 2004–2015 certain funds have been allocated for its realization (Decision of the East Kazakhstan regional maslikhat, 17.04.2009 #13/161-IV).

The most significant and important issue for agriculture of the East Kazakhstan region is the accelerated development of production of meat, milk, vegetables, potatoes, oil-bearing crops, forage crops, wool, beekeeping, antler reindeer breeding, poultry, and also increasing innovative activities of enterprises to 20% in 2015 (Department of Statistics the East Kazakhstan region, 2013).

For innovative development of the economy it is necessary to use all available opportunities and resources of the state in the field of technological development of agriculture. In this regard, it is planned to take measures on the creation of Kazakhstan-Israeli fund of agricultural researches, and also participation of Kazakhstan in joint international research projects with highly developed agrarian countries – Australia, Brazil, Canada, Argentina, the European Union countries etc.

Application of the public-private partnership principles in the field of transfer and commercialization of agrotechnologies is based on the following main directions: localization of technologies; creation of innovative companies; protecting intellectual property.

Today innovative processes aimed at the formation of resource potential will not reach necessary volumes without state support.

State support for agricultural science has to be expressed in the following directions (Decree of the President of the Republic of Kazakhstan, 17.05.2003, #1096):

- 1) financing key research on the problems of agriculture stability in every region;
- 2) financing the development of innovative technologies and equipment according to international standards;
- 3) tax-free or preferential system of investments for enterprises doing research on the stability of production, and also partial financing of scientific and methodical consultations on agricultural services.

Nowadays own funds of farms can be the sources of financing innovations in agriculture. Besides that, the leading role, both in material and in technical support for producers belongs to leasing, preferential taxation, crediting, partial financing of production of new equipment and introduction of new technologies of resource-saving and all of this should be organized to the state.

At present according to the Law of the Republic of Kazakhstan "On state regulation of production and turnover of biofuel" (15.11.2010, #352-IVZRK) the state support of production and turnover of biofuel is expressed in ensuring the development of the biofuel market by financing of researches on studying priority directions of the biofuel market development is adopted.

However, the realization of its main directions demands some additional mechanisms of regulation and financing ensuring the efficiency of its use in agricultural production and the creation of a new consumer market.

State regulation will require carrying out special extraordinary measures allowing improving the system of state investment through credit and tax policies. Thus it is necessary to increase the efficiency of expenditures from budget funds for the formation of resource potential and it is recommended to finance innovative projects having a priority national value for the development of animal husbandry and plant growing.

However, in our opinion, there is a need to introduce the system of competitive selection of innovative projects through the created JSC 'National Innovative Fund' which is one of the most important development institutes in the country, along with Development bank of Kazakhstan and Investment fund of Kazakhstan, and also to promote the development of small forms of business in science, especially concerning technological development, creation of sinking fund allowing to accumulate depreciation charges for the purpose of writing-off outdated equipment and replacement its, thus promoting investments in innovations and forming steady resource potential.

Today it is necessary to intensify the development of innovative processes in animal husbandry and plant growing on the basis of biofuel introduction, despite the adverse economic and working conditions (Kazakhstan Today, 5.03.2007).

Economic conditions hindering the introduction of innovative processes include little scientific achievements of agricultural producers, lack of funds because of insolvency of consumers, low demand for new means of production and resources, high economic risks, high costs of innovations and long term of their payback.

Industrial conditions interfering the introduction of innovative processes include: low level of staff qualification, lack of information on new technologies, rejection of innovations by staff at enterprise, lack of opportunities for cooperation with scientific organizations, absence of information on new sales markets for products. As for state regulation the lack of standard legislative base and documents stimulating the development of innovative processes can be named. The only Law governing the public relations in the field of production and turnover of biofuel is the Law of the Republic of Kazakhstan "On the state regulation of manufacture and turnover of biofuel" as of November 15, 2010 # 352-IV LRK.

Today agricultural enterprises have low demand for innovations because of their economic condition. Therefore, persistent work is needed to restore the solvency of agricultural producers for introduction of technologies, and in this regard economic efficiency of biofuel should be demonstrated and proved (KazEnergy, 6.09.2010).

Figure 1 presents developed model (Turdiyeva, 2012) of state regulation of innovative processes development in the formation of agricultural resource potential of East Kazakhstan region with the use of biofuel. According to the presented model regulation of innovative processes in agriculture needs to be carried out through the creation of the center for introduction of scientific and technical development. State regulation in this context also include the creation of standard legislative base, increasing receipts (by means of depreciation, tax revenues and privileges), creation of for funds innovative support, using priority regional projects of industrial and innovative development of East Kazakhstan.

Efficiency of financing and regulation of innovative processes is reached through the creation of special funds. As all the Departments of the region participate in the implementation of the regional project financed by the institutes of development which are part of JSC "National Welfare Fund Samruk-Kazyna" it is necessary, in our opinion, to create "Regional innovative investment fund and the mortgage center" for the purpose of more effective introduction of innovative processes in agriculture. It will be intended for development and deployment of advanced technologies of production in animal husbandry and cultivation of breeding animals, preparations, storages and processings of production, acquisition of new breeds of animals and the implementation of highly effective, methods of housekeeping and management.

**Conclusions.** Carrying out consistent state regulation of innovative transformations in agriculture of Kazakhstan the emphasis should be placed on the introduction of the latest resource-saving technologies. The East Kazakhstan region is distinguished from other regions of Kazakhstan as the most actively pursuing policy of investments attraction into innovative processes for economy's development, including the implementation on the law of biofuel to increase the resource potential of biofuel production for the purposes of increasing the final product and lowering prime costs of production.

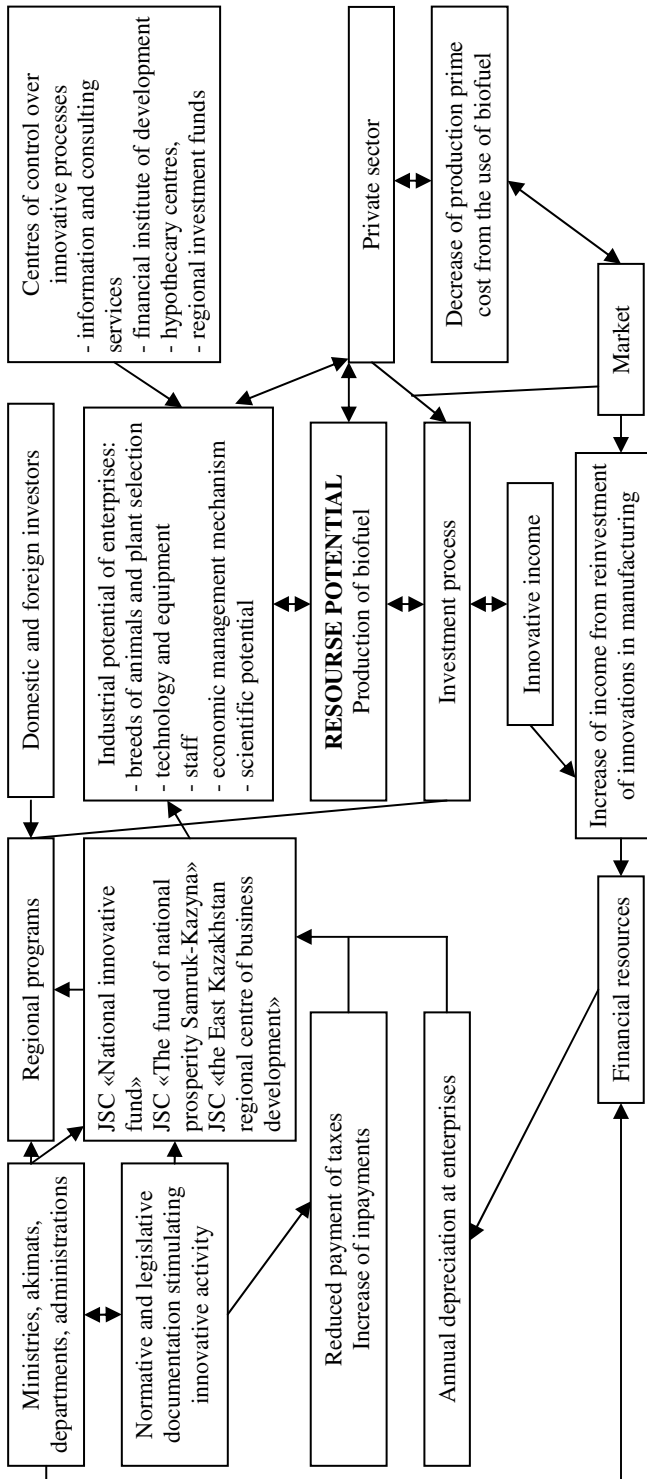


Figure 1. Model of state regulation of innovative processes development in the formation of the resource potential of the agricultural sector of East Kazakhstan using biofuel (Turdiyeva, 2012)

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