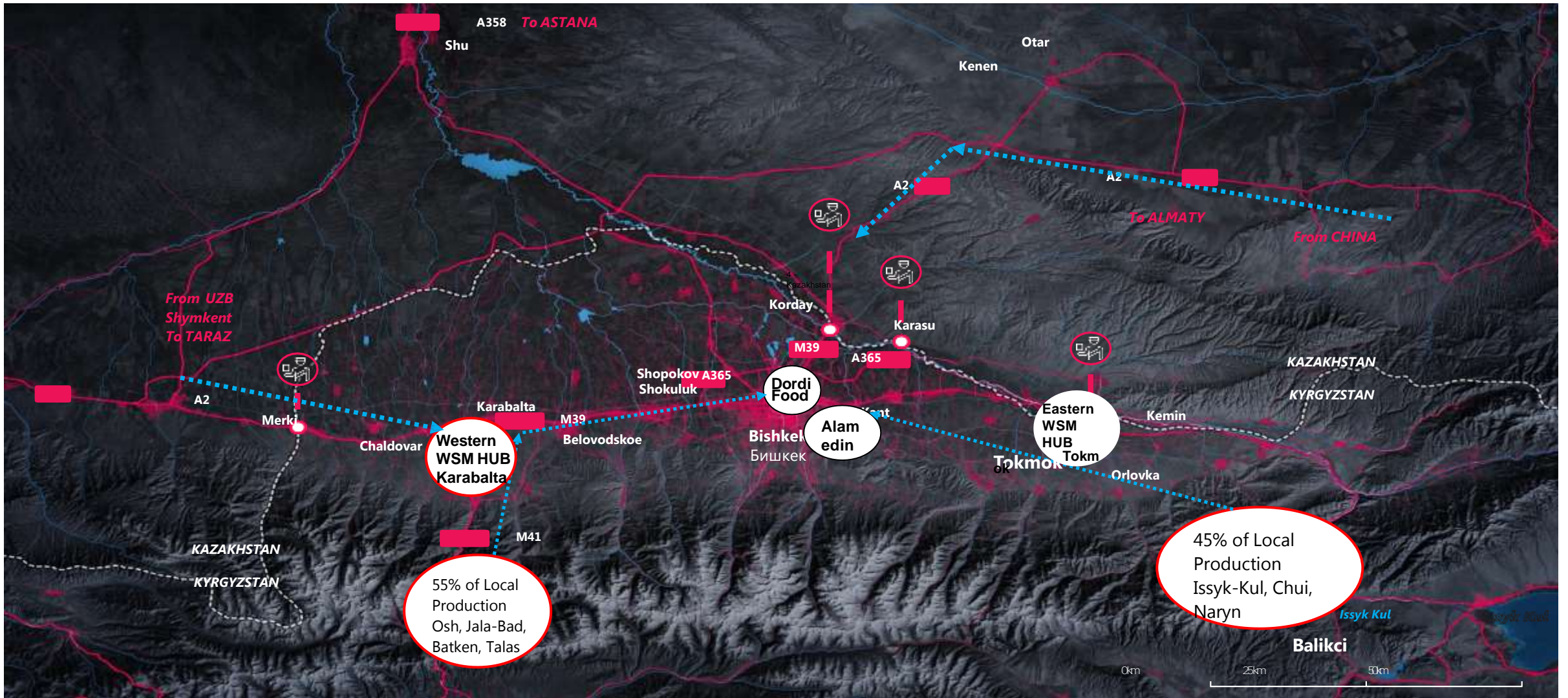


Agriculture: Wholesale
Market Master Plans, Project
Concept and TA grant

ABEC Modern Agriculture Wholesale Market Master Plan Preparation

- Time Frame: May-December 2018
- Team: 5 consultants (3 international, 2 national), ADB staff missions
- Recommendations:
 - Focus on
 - Food Safety (SPS, modern market facility),
 - Food Security (price stability, extended seasonality, grading), and
 - Food Exports (certified and branded exports, develop niche markets like organic)
 - Consider focusing functions of wholesale markets in urban context (business-to-business, traffic congestion, food safety standards)

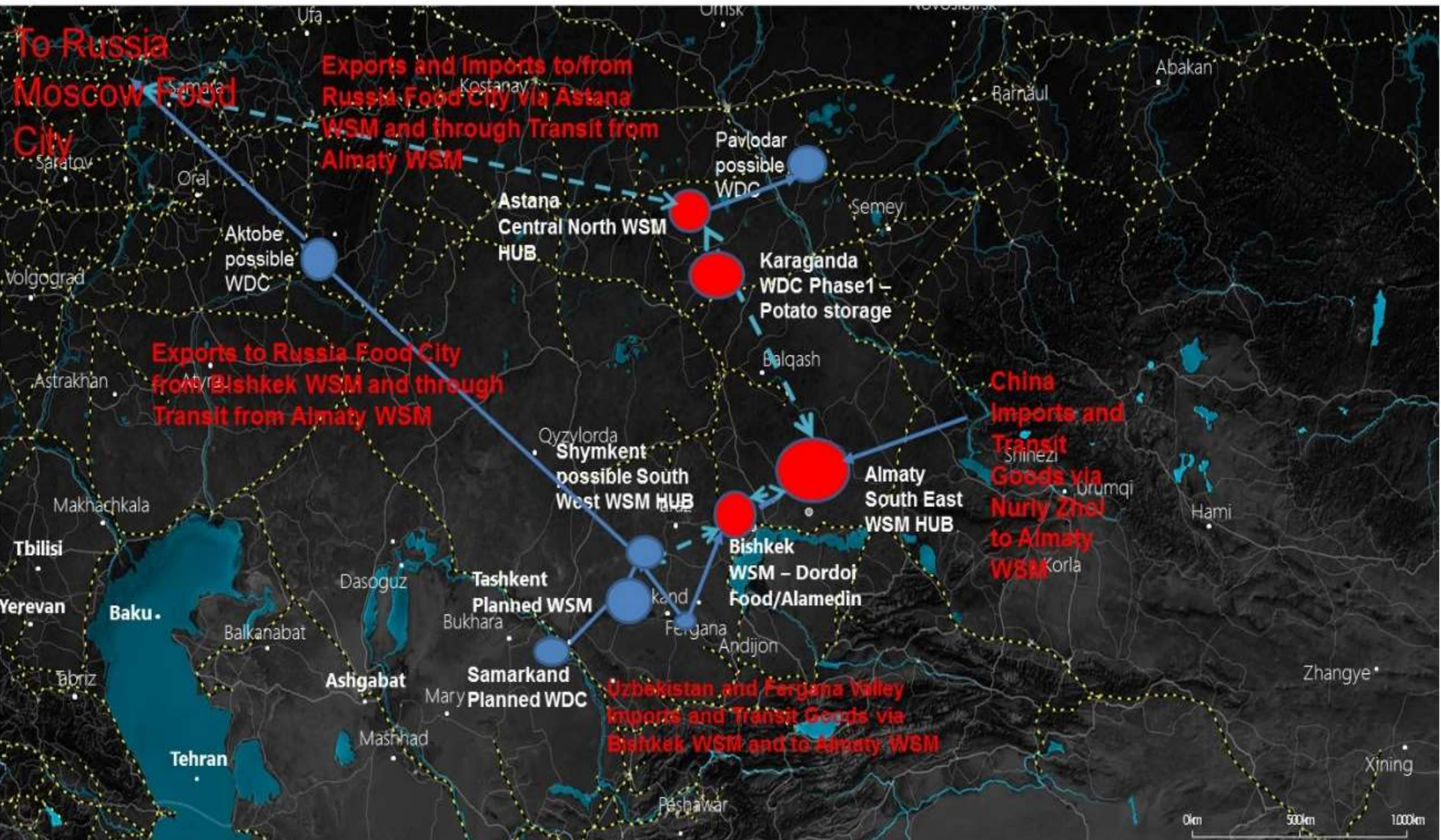


Kyrgyz Republic Proposed Wholesale Market and Wholesale Distribution Center System

Recommendations for the Kyrgyz WSM System

- Strengthening city supply function of existing markets Dordoi Food and Alamedin
 - Modernize facilities for consumption needs of Bishkek with focus on catering and restaurant supply with improved grading, processing and packaging function
 - Dordoi Food and Alamedin continues to export produce to Kazakhstan, Russia (trading platform, price discovery)
- Wholesale Distribution Hubs for export processing
 - Domestic production and (longer shelf life) imported produce aggregated, consolidated, and stored at the Kara-Balta and Tokmok Wholesale Distribution Hubs
 - Hubs can utilise the new road systems planned to export directly to Russia, Kazakhstan and China.

Recommendations for Kazakh Agriculture Wholesale Market System



Recommendations for the Kazakh WSM System

- Modernize Almaty Wholesale Market Infrastructure
 - Modernize trading, storage, processing, laboratory SPS infrastructure in Almaty
 - Formalize trade and gradually separate ownership and trading functions
 - Focus on business-to-business operations
 - Labelling, certification, and grading facilities for exports
- Develop sub-hubs
 - Modern wholesale market infrastructure for city consumption and import/export consolidation centers in growing urban hubs like Astana, and possibly consolidation and in Shymkent, Aktobe, and Pavlodar
 - Coordinated trade and storage system in the country to minimize price fluctuations

ADB ABEC: Modern Agriculture Wholesale Markets Project

Rationale:

- High import dependency in January to June for horticulture products resulting in price fluctuations
- Informal trade of horticulture products without certification of origin, quality, or SPS compliance
- Better grading and storage of horticulture produce into processing, domestic consumption and export quality will improve value chain efficiency
- Increasing vertical concentration of ownership in food value chains is already resulting in price setting market power for horticulture products
- Kazakhstan and the Kyrgyz Republic are net-food importers
- Strong integration of value chains for horticulture products in ABEC







Fruits & vegetables



Fish wholesale



Wholesale meat section



ADB ABEC: Modern Agriculture Wholesale Markets Project

- The project will finance the modernization of at least two wholesale markets, at least one in Kazakhstan (Almaty and/or Astana) through a public non-sovereign transaction, and a public sector transaction in Kyrgyz Republic for modern infrastructure in existing WSMs and greenfield Trade and Logistics Centers
- Suggested amounts:
 - \$50 million for Kyrgyz Republic as sovereign loan
 - \$150 million for Kazakhstan as non-sovereign public loan, implemented through local authorities (facilitating public stake in WSM infrastructure).
- TRTA grant of \$2 million for both countries has been approved
 - Firm recruitment to prepare the feasibility studies and design is ongoing
 - Before firm will be fielded in May, a small team of consultants is being hired to prepare the project model
- Land plots for greenfield developments in Astana, Tokmok, and Karabalta have been tentatively identified