

BRI in Central Asia: Agriculture and Food Projects

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ABSTRACT

This data article looks at Chinese investment in agriculture and food production in Central Asia. It shows that the agricultural sector projects have low priority within the Belt and Road Initiative. Kazakhstan is the biggest recipient of Chinese investment in agriculture and food projects in Central Asia.

Keywords: BRI, China, agriculture, food, Central Asia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan

Background and data collection

Through the Belt and Road Initiative (BRI) projects, China aims to lower the physical, technical and political barriers to trade. Chinese economic activity is however not only about connectivity and trade but also involves investment in agriculture and the alimentary industry.

This data article provides a detailed description of both Chinese bilateral and BRI projects implemented in Central Asia. Data collection was carried out from August 2018 to January 2019 by one CADGAT researcher from each Central Asian country using the following sources: official statistics, local and international media, government press releases, interviews and reports. These sources formed the basis for the collection of news clippings about BRI projects in the main table below. This is not a complete list of Chinese projects in the region. The data article, however, covers a diverse and wide range of projects—some already implemented and some still at the planning stage.

This data article is part of a series of such articles on BRI in Central Asia. All the data are also

available in a unified Excel database at the following address:

<http://osce-academy.net/en/research/cadgat/>

Key findings

Within BRI, in addition to importing mineral resources from Tajikistan, China is also investing in agriculture and the production of food in Central Asia. Kazakhstan is the main Central Asian recipient of Chinese investment in these sectors.

Beijing may eventually become interested in increasing its presence in Uzbekistan's agricultural sector, but for the moment its engagement is limited.

Number of agriculture and food projects and total funding

	Projects	Total funding (mln USD)
Kazakhstan	17	1 049.63
Tajikistan	6	342
Kyrgyzstan	2	31.55
Uzbekistan	1	28.7
Turkmenistan	1	Information not available

Definitions

Financing – Sources of funding for each project are identified and presented.

Commercial interests – A project is classified as “commercial”, if the parties promoting it primarily pursue commercial goals.

Strategic interests – A project is classified as “strategic”, if it fits one of the broader categories, particularly strengthening connectivity.

Connection to BRI – If a project is announced publicly as part of BRI, then it is classified as a “BRI project”.

Local project – A project is classified as “local”, if the infrastructure or facility constructed and services provided, are limited to a specific country.

Regional project – A project is classified as “regional”, if it is part of the bigger regional initiative, which includes more than one country.

Bilateral – A project is classified as “bilateral”, if an agreement for project implementation is signed by the Chinese government or a Chinese company, as one party, and one of the Central Asian governments or companies as the other.

Multilateral – A project is classified as “multilateral”, if an agreement for project implementation is signed by three or more parties, including the Chinese or Central Asian governments, multilateral financial institutions (AIIB, China Development Bank, Export-Import Bank of China or New Silk Road Fund) and private enterprises.

Timing	Project	Financing	Project description (commercial vs strategic; connection to BRI)	Local vs regional	Bilateral vs multilateral
KAZAKHSTAN					
2018	Processing and sale of rapeseed and sunflower seeds by Vostok-Agroholding LLP.	Total cost of the project: 3.5 mln USD.	Commercial: The information available on this project is unclear. Some media outlets, as well as government officials, claim that it is one of the 51 China–Kazakhstan projects, while others claim that this is a part of 19 projects under the national initiative “100 Specific Steps”. Not branded as a BRI project.	Local	Bilateral
2018–2020	A slaughterhouse by Eurasia Agro Holding LLP with a capacity of 11,500 thousand tons of meat per year and a feedlot for 50,000 sheep and 1,000 head of cattle.	Total cost of the project: 25.3 mln USD. Source of financing: RIFA Investment LLP.	Commercial: Wholesale prices in both Kazakhstan and China are now \$3 per kilo of beef. Retail prices for frozen beef in Kazakhstan are \$4.20 and \$7.20 in China. However, if one analyses the project as a part of the large-scale industrialization of the agricultural sector and considers that the majority of the produced goods will be exported to China, it becomes clear that the project also has strategic goals. Not branded as a BRI project. The project is one of the 19 projects under the national initiative “100 Specific Steps”, which includes the creation of processing enterprises in the agricultural sector. However, it could still be counted as a BRI project since it was implemented during the BRI period and is oriented towards the Chinese market.	Local	Bilateral
2017–2018	Poultry farm construction.	Total cost of the project: 20 mln USD.	Commercial. Not branded as a BRI project.	Local	Bilateral
2017–2018	Construction of workshops for the processing of antler and meat products at the farm at Oleniy Park.	Total cost of the project: 1.7 mln USD.	Commercial. Not branded as a BRI project.	Local	Bilateral
2017–2018	Poultry farm construction.	Total cost of the project: 132.4 mln USD.	Commercial. Not branded as a BRI project.	Local	Bilateral
2017	Deep processing of agricultural products by Kazeksportastik for delivery to the Chinese market.	Total cost of the project: 500 mln USD. Source of financing: Financial group Oriental Patron.	Commercial and strategic: Agricultural products “made in Kazakhstan” are in demand in Chinese markets. Private Chinese investors, as well as transnational Chinese companies, are interested in the development of different highly processed agricultural products. Therefore, the project is strategic for Kazakhstan in terms of the industrialization of the agricultural sector, while it is commercial for China.	Local	Bilateral

Timing	Project	Financing	Project description (commercial vs strategic; connection to BRI)	Local vs regional	Bilateral vs multilateral
			Not branded as a BRI project. This is one of the 19 projects under the national initiative “100 Specific Steps”, which includes the creation of processing enterprises in the agricultural sector. However, it could still be counted as a BRI project since it was implemented during the BRI period and is oriented towards the Chinese market.		
2017–2020	Development and expansion of the enterprise for the production of semi-finished meat products by Longyuan Jetyu, Ltd.	Total cost of the project: 3.5 mln USD. Source of financing: Longyuan Science and Technology Company LLC.	Commercial and strategic. Not branded as a BRI project. This is one of the 19 projects under the national initiative “100 Specific Steps”, which includes the creation of processing enterprises in the agricultural sector. However, it could still be counted as a BRI project since it was implemented during the BRI period and is oriented towards the Chinese market.	Local	Bilateral
2017	Creation of a cluster in sheep farming, including the construction of a meat processing plant, the creation of a feedlot and a leather and fur factory, by Eurasia Agro Holding, Ltd.	Total cost of the project: 26.7 mln USD. Source of financing: Rifa Holding Group.	Commercial and strategic. Not branded as a BRI project. This is one of the 19 projects under the national initiative “100 Specific Steps”, which includes the creation of processing enterprises in the agricultural sector. However, it could still be counted as a BRI project since it was implemented during the BRI period and is oriented towards the Chinese market.	Local	Bilateral
2017–2018	Production and sale of fresh-frozen fish and fish products by Kuzmich LLP.	Total cost of the project: 0.5 mln USD.	Commercial. Not branded as a BRI project.	Local	Bilateral
2017–2018	Construction of a modern high-tech industrial complex by Assar Group LLP for the processing of soybeans.	Total cost of the project: 28 mln USD.	Commercial. Not branded as a BRI project.	Local	Bilateral
2017–2018	Growing tomatoes and producing tomato paste by Red Agro Plus Ltd.	Total cost of the project: 32.6 mln USD. Source of financing: COFCO.	Commercial. Not branded as a BRI project.	Local	Bilateral
2016–2018	Construction of a plant for the production of equipment for drip irrigation by Yue Teng Agro Ltd.	Total cost of the project: 0.03 mln USD.	Commercial. Not branded as a BRI project.	Local	Bilateral

Timing	Project	Financing	Project description (commercial vs strategic; connection to BRI)	Local vs regional	Bilateral vs multilateral
2016–2018	Organization of drip irrigation by Yue Teng Agro Ltd.	Total cost of the project: 1.8 mln USD.	Commercial. Not branded as a BRI project.	Local	Bilateral
2016–2018	Construction of an enterprise for the production of powdered milk from camel's milk by Gold Camel Group, Ltd., LLP.	Total cost of the project: 23 mln USD. Source of financing: China Danqing Gold Land of Water-Saving Engineering Co., Ltd.	Commercial: Capacities allow for the processing of 100 tonnes of shubat per day and the production of 2,500 tonnes of finished products per year. The production of one tonne of milk powder requires 16 tonnes of raw materials. In China, the daily production of dried milk amounts to 1 tonne, but this amount is extremely small, given the steady and high demand for such products. It is already known that 1 kg of powdered milk produced in Turkestan will cost 140 USD in China. Branded as a BRI project and is part of the 51 China–Kazakhstan joint production sites.	Local	Bilateral
2016–2018	Construction of a plant for the deep processing of grain by Jannur Astana LLP.	Total cost of the project: 110 mln USD.	Commercial and strategic: The joint venture will process key compounds for the production of semi-finished and intermediary goods, for both the domestic and international market. Branded as a BRI project. On 13 December 2015, during Kazakh Prime Minister Karim Massimov's visit to Beijing, a contract on cooperation and the creation of a joint venture was signed.	Local	Bilateral
2016–2018	Construction of an agro-industrial complex for the cultivation and deep processing of flax and other crops by Bazis Alatau, Ltd.	Total cost of the project: 117.6 mln USD.	Commercial and strategic. Not branded as a BRI project. There is no mention of BRI, and the project is one of the 19 projects under the national initiative "100 Specific Steps", which includes the creation of processing enterprises in the agricultural sector. However, it can be counted as a BRI project since it was initiated under the public programme of industrialization and implemented after 2013, and the project is industrial and oriented towards the Chinese market.	Local	Bilateral
2015–2017	Processing of oil crops by Total Impex – May Toyshin, Ltd.	Total cost of the project: 23 mln USD. Source of financing: Industrial Group AIU.	Commercial and strategic. Not branded as a BRI project. There is no mention of BRI, and the project is one of the 19 projects under the national initiative "100 Specific Steps", which includes the creation of processing enterprises in the agricultural sector. However, it can be counted as a BRI project since it was initiated under the public programme of industrialization	Local	Bilateral

Timing	Project	Financing	Project description (commercial vs strategic; connection to BRI)	Local vs regional	Bilateral vs multilateral
			and implemented after 2013, and the project is industrial and oriented towards the Chinese market.		
TAJIKISTAN					
2014–2018	Agricultural sector development (e.g. the Yavan district cotton processing plant).	Public financing.	<p>Commercial: 500 hectares of agricultural land has been leased to foreign firms in recent years for experiments on technologies that would help make Tajik agriculture more productive and efficient. The plant will process 15,000 tons of raw cotton. Construction of an oil-pressing workshop is planned as well, which will process up to 12,000 tons of cotton and sunflower seeds per year.</p> <p>Not branded as a BRI project. The local Agricultural Investment Bank of Tajikistan signed an agricultural cooperation agreement with the Agricultural Bank of China in 2014. An agreement on cooperation was made between Tajikistan’s Khatlon region and the province of Henan in China for the construction of an agro-industrial complex.</p>	Local	Bilateral
2014–2018	Dzhuntai Dangara Sin Silu Textile complex in Dangara province.	Total cost of the project: 600 mln TJS (65 mln USD).	<p>Commercial: This plant is capable of processing 52,000 cotton fibre and produce 150 mln m³ of textiles. When the factory starts operating at its full capacity, around 6,000 people will be provided with jobs. The Chinese contribute 70% of the capital and the Tajik company Somonchon provides 30%.</p> <p>Not branded as a BRI project.</p>	Local	Bilateral
2011	Ceding over 1,100 km ² of Tajik land to China.	Information not available.	<p>Strategic: In 2011, the Tajikistan government ceded 1,100 km² of land near the Afghan border to China. Not only was the land located along the Wakhan Corridor—which is historically one of the most strategic junctions for Chinese access to the Indian Ocean and West Asia—it also purportedly contained gold and uranium deposits.</p> <p>It is widely believed, albeit unofficially, that these deals were made in exchange for partial debt relief.</p> <p>Not branded as a BRI project.</p>	Local	Bilateral
2007–2015	Tajik–Chinese Joint Venture (JV) Zarafshon.	Total cost of the project: 277 mln USD (according to some sources, 305.1 mln USD).	<p>Commercial: The Jilau deposit operated by Tajik–Chinese joint venture Zarafshon reportedly accounts for more than 70% of the total amount of gold produced in Tajikistan. Funds are mainly used for new equipment, support and modern technology and production. The factory was established in 1994.</p>	Local	Bilateral

Timing	Project	Financing	Project description (commercial vs strategic; connection to BRI)	Local vs regional	Bilateral vs multilateral
			Not branded as a BRI project. A joint venture that is 70% (17 mln USD) owned by China's state-owned Zijin Mining and 30% (7.3 mln USD) owned by the Tajik government runs two gold mines in Tajikistan that have created more than 2,000 jobs.		
Planned	The Vodii Zarrin Agrarian Alliance.	Private financing.	Commercial: The Vodii Zarrin Agrarian Alliance is currently growing cotton on 100 km ² of land in southern Tajikistan and has plans to expand to 240 km ² . Not branded as a BRI project.	Local	Bilateral
Planned	Cotton processing plant in Dangara district.	Private financing.	Commercial: 15,000 hectares in the Danghara district were allocated for cotton cultivation so that Tajik farmers could become acquainted with the activities and achievements of Chinese farmers. Branded as a BRI project. An agreement was made between the Tajik Ministry of Agriculture and closed joint-stock company (CJSC) Chuntai Dangara Sin Sil Textile in 2015.	Local	Bilateral
KYRGYZSTAN					
2016	Reconstruction of the irrigation system of Kyrgyzstan.	Grant of the Government of China: 31.55 mln USD.	Strategic: The project involves the reconstruction and construction of water management facilities in Issyk-Kul, Batken, Talas and Chui Oblasts. After their commissioning, 5,410 hectares of newly irrigated lands will be put into operation and water supply in the area of 22,100 hectares will be increased. In general, the implementation of the project will create jobs for 40,000 rural residents throughout the country. Not branded as a BRI project. The project has not been launched yet. The Ministry of Agriculture of Kyrgyzstan established a tender commission, and the tender documentation for the construction of irrigation facilities was handed over to the Chinese side.	Local	Bilateral
2015	Joint Chinese–Kyrgyz scientific and information centre.	Private funding.	Strategic: The purpose of the centre is to conduct joint scientific research in the field of agriculture. Not branded as a BRI project. Agreement signed between Kyrgyz State Technical University and Xinjiang Agricultural Academy on the establishment of a joint Chinese–Kyrgyz scientific and information centre. Xinjiang Agricultural Academy financed the project.	Regional	Bilateral

Timing	Project	Financing	Project description (commercial vs strategic; connection to BRI)	Local vs regional	Bilateral vs multilateral
UZBEKISTAN					
2018–2019	Organization of a modern hub for exporting agricultural products in the Bukhara region.	Total cost of the project: 28.7 mln USD. Source of financing: Chinese Tian Jean Nana; Exim Bank of China.	Commercial. Within the framework of the project, a modern logistics centre will be created, establishing two enterprises for the processing of fruit and vegetables and meat and dairy products. Capacities for the production of cardboard and plastic dishes and containers will be created. The project involves the creation of greenhouses and the acquisition of auto-refrigeration systems. The CEO of Tian Jean Nana stated in an interview that the total amount of foreign investment is 28.7 mln USDs. The project will be implemented through direct investments and loans from Exim Bank of China. All products manufactured in the centre will be exported abroad.	Local	Bilateral
TURKMENISTAN					
2016	First shipment of Turkmen ice cream to China.	Information not available.	Commercial: Private company Taze Ay dispatched over 6 tonnes of ice cream to China in October 2017. Not branded as a BRI project.	Local	Bilateral

About CADGAT and the Central Asia Regional Data Review

The Norwegian Institute of International Affairs (NUPI) and the OSCE Academy established the Central Asia Data-Gathering and Analysis Team (CADGAT) in 2009. The purpose of CADGAT is to produce new cross-regional data on Central Asia that can be freely used by researchers, journalists, NGOs, government employees and students inside and outside the region. Comments and questions can be sent to: ino@nupi.no. The datasets can be found at: <http://osce-academy.net/en/research/cadgat/>

The following datasets have been published previously:

1. Hydroelectric dams and conflict in Central Asia
2. Narcotics trade and related issues in Central Asia
3. Language use and language policy in Central Asia
4. The transport sector in Central Asia
5. Road transportation in Central Asia
6. Gender and politics in Central Asia
7. Political relations in Central Asia
8. Trade policies and major export items in Central Asia
9. Intra-regional trade in Central Asia
10. Trade barriers and tariffs in Central Asia
11. Holidays in Central Asia. Part I: Laws and official holidays
12. Holidays in Central Asia. Part II: Professional and working holidays
13. Media in Central Asia: Print Media
14. Media in Central Asia: TV
15. Media in Central Asia: Radio
16. Renewable energy policies of the Central Asian countries
17. Wind power potential of the Central Asian countries
18. Solar power potential of the Central Asian countries
19. Hydropower potential of the Central Asian countries
20. BRI in Central Asia: Overview of Chinese projects
21. BRI in Central Asia: Rail and road connectivity projects
22. BRI in Central Asia: Energy connectivity projects
23. BRI in Central Asia: Mineral and petroleum exploration, extraction and processing projects
24. BRI in Central Asia: Industrial projects
25. BRI in Central Asia: Finance and IT projects
26. BRI in Central Asia: Agriculture and food projects

CADGAT has also produced a database on “Elites in Central Asia”, which can be found at <http://osce-academy.net/dbelite/>



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