



Arguably, most important sector of the Kyrgyz economy is agriculture, contributing 35,2% to the country's GDP in 2001. Government has made agriculture a priority development sector. In 2001, agricultural production (including hunting and forestry) grew 14.1 percent compared to 2000, the highest figure in five years.

Kyrgyzstan is extremely mountainous, with ninety percent of the country's area over 4500 feet in elevation. Despite the shortage of arable land, the majority of the people live in rural areas, and the agricultural sector employs 60 percent of the Kyrgyz work force. The climate is very dry, but abundant water resources permit irrigation of the farmland. The climate is well suited for cotton, tobacco, fresh produce, and different kinds of grains. Animal husbandry has deep roots in Kyrgyzstan. Meat and wool production still makes up a large share of the agricultural production.

Ninety per cent of all farms are now privately owned following the land reform program that is being carried out with the help of a number of international loans. With the help of the World Bank and the Asian Development Bank, a system of micro-lending has been introduced. The government's aim now is to increase production levels across the board so as to service its own needs and export any surplus. It also hopes that improved efficiency will help to stimulate an active agribusiness sector.

Kyrgyzstan has about 1.2 million hectares of farmland, 70 percent of it irrigated. As of June 2001, 40 percent of agricultural output was produced by private farms, 54 percent by households, and 6 percent by state and collective farms. At the beginning of July 2001, Kyrgyzstan had 81,300 private farms.

Some 30,000 hectares of land in Kyrgyzstan are set aside for growing cotton every year. Private farmers grow more than 60 percent of the cotton. Kyrgyzstan plans harvested 75,700 tons of cotton in 2002. The country has limited capacity to process cotton, and most of the crop is exported. Cotton exports account for some 5 percent of the value of total exports. However, Kyrgyz cotton farmers are experiencing problems due to limited access to funding and inability to purchase enough fertilizers or crop protection chemicals.

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