



**BEFL**

**Russia's Largest  
Agricultural Landholders  
2019**

*May 2019*

## Comments to Overview 2019

In 2018, the top players in the agricultural sector continued to follow the trend of expanding their land assets.

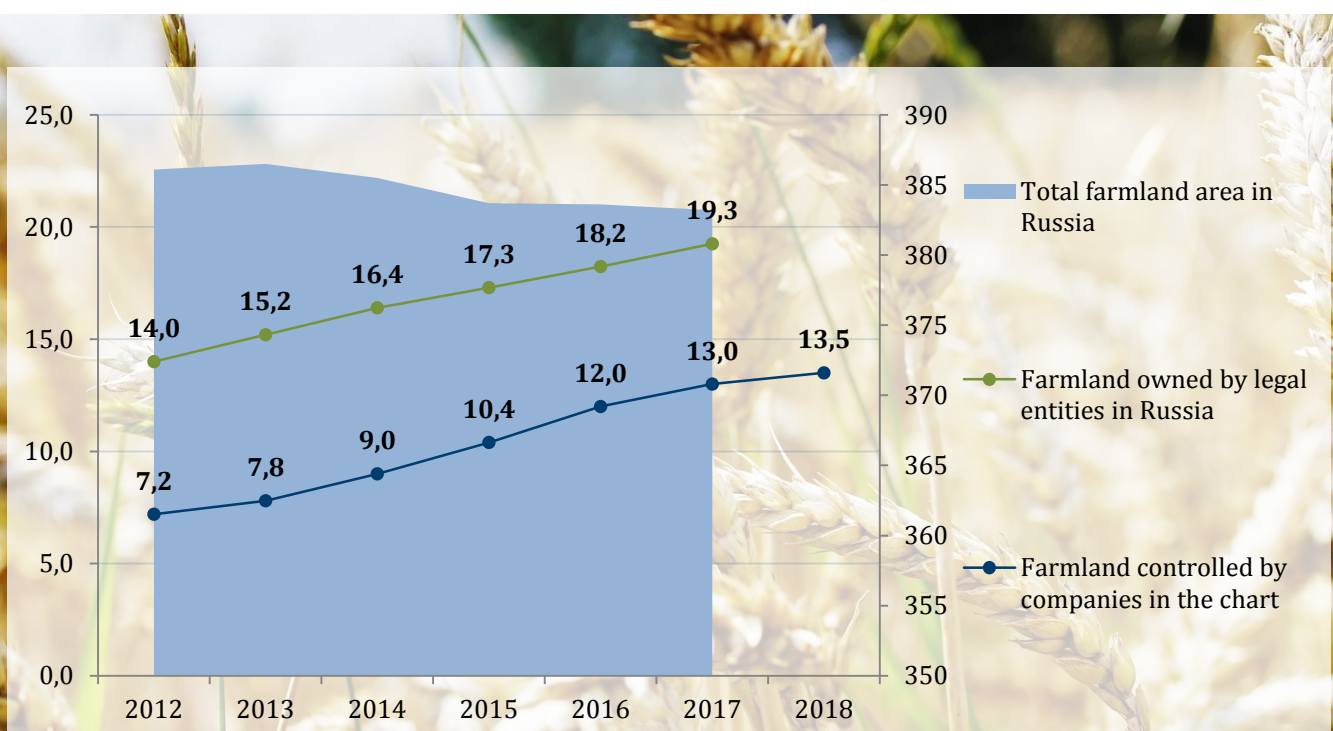
Unlike 2017, the previous year did not witness any major transactions associated with large amounts of land portfolios, but 2019 can change that as over the past few months a number of preliminary agreements have been announced by large holdings, which may lead to some important mergers. It is particularly worthy to mention the purchase of Solnechnye Produkty by Rusagro, as well as the agreement made between Sucden and Trio Group.

For three consecutive years, according to the Russian State Statistics Office (Rosstat), the production of agricultural products has been showing a relatively stable dynamics of about *RUR5.12t* per annum in actual prices. Earlier, the Russian Ministry of Agriculture noted that the agricultural production in actual prices increased by 2.7 times, from *RUR1.93t* to

*RUR5.12t*, for the period from 2007 to 2017.

The area of agricultural land in Russia normally stays unchanged year on year. The latest relevant data from the Federal Agency for the State Registration, Cadastre, and Cartography (Rosreestr) as of January 1, 2018 is 383.2m ha, of which 51.6 % is agricultural land (197.8m ha). However, the remarkable fact is that there is a constant increase in agricultural land area owned by legal entities. It has risen by 6 % over two years (2016–2017) and by 38 % since 2012.

There is also an upward trend of farmland controlled by the companies in the overview. This year, the total amount of farmland controlled by all the companies in the overview is 13.5m ha, which is 4 % more than the previous year and almost twice as much as 7 years ago (see Figure 1).



**Figure 1. Change of total amount of farmland in Russia compared to the change of total amount of farmland controlled by the companies in Overview 2019 against the backdrop of the change of farmland owned by legal entities in Russia, mln ha**

Data provided by: Federal Agency for State Registration, Cadastre, and Cartography (Rosreestr), Russian State Statistics Office (Rosstat), Ministry of Agriculture of Russia

Following the results of 2018, the overview includes 56 companies, 44 of which control (i.e. own, lease or use under any other legal right) over 100k ha of farmland, 12 companies control about 100k ha and occupy the arbitrary 45th place.

The amount of farmland controlled by the Top-5 makes up 27% of the total farmland in the chart. For the first time over the five years Prodimex is not the first having lost its position to Miratorg, which has 1m ha of farmland under control as of the date of the overview.

Rusagro and Agrocomplex, just like last year, keep their 3rd and 4th places. Rusagro holds its position despite the fact that this year its land

portfolio went down by 25k ha. The sale was a strategic optimization of farmland and the disposal of inefficient assets. In this overview we do not take into account the purchase of Solnechnye Produkty assets by Rusagro, as the transaction is expected to be completed in 2019.

The 5th line of the rating is usually occupied by a different company every year; in May 2019 the winner is EkoNiva-APK, which has increased its land portfolio by 170k ha within the year. This expansion is one of the most significant changes of land portfolio in 2018 as well as the most remarkable change of position in the overview 2019.

### Leading Farmland Holders 2019

Ranking in 2017	Ranking in 2018		Land in control in 2017, '000 ha	Land in control in 2018, '000 ha
2.	1. (+1)	Miratorg	676	1 000
1.	2. (-1)	Prodimex+Agrokultura	790	865
3.	3.	Rusagro	675	650
4.	4.	Agrocomplex	644	649
13.	5. (+8)	EkoNiva-APK	334	504

Since 2012, the highest upswing of farmland portfolio is visible mainly with the leading landholders. Among the companies in Figure 2, only Stepp Agroholding together with RZ Agro

has never made it to the Top-5; however, they have steadily been present in the Top-10.

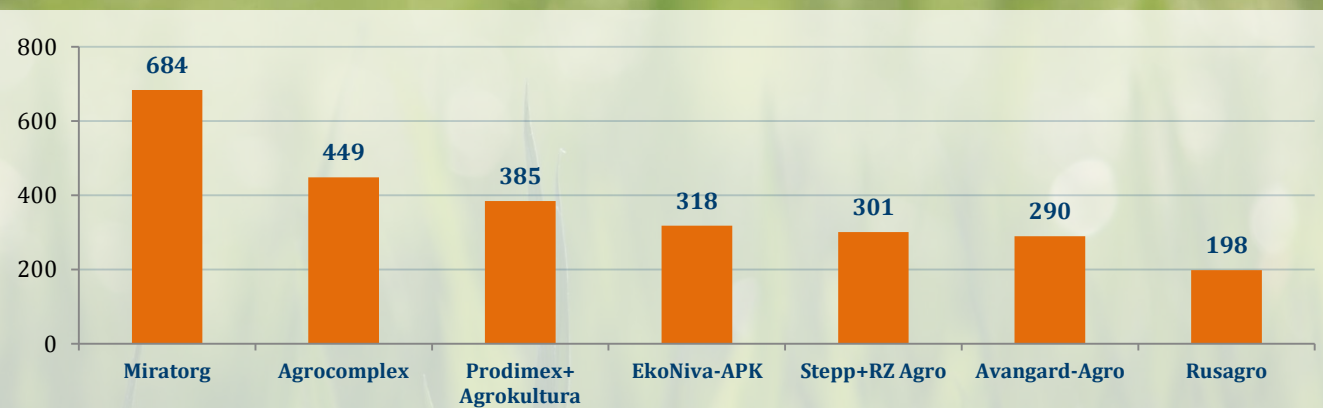


Figure 2. Most significant gain in farmland controlled by current chart leaders from 2012 to 2019, '000 ha

**Most Significant Position Changes in Overview 2019**

Company in the Chart	Change in Position
EkoNiva-APK	+8
Krasnoyarskaya zernovaya kompaniya+ MK Avida	+7
Siberian Business Union	+5
BIO-TON	+4
Rusmolco (OLAM)	+3
Russian Agrarian Group	-9

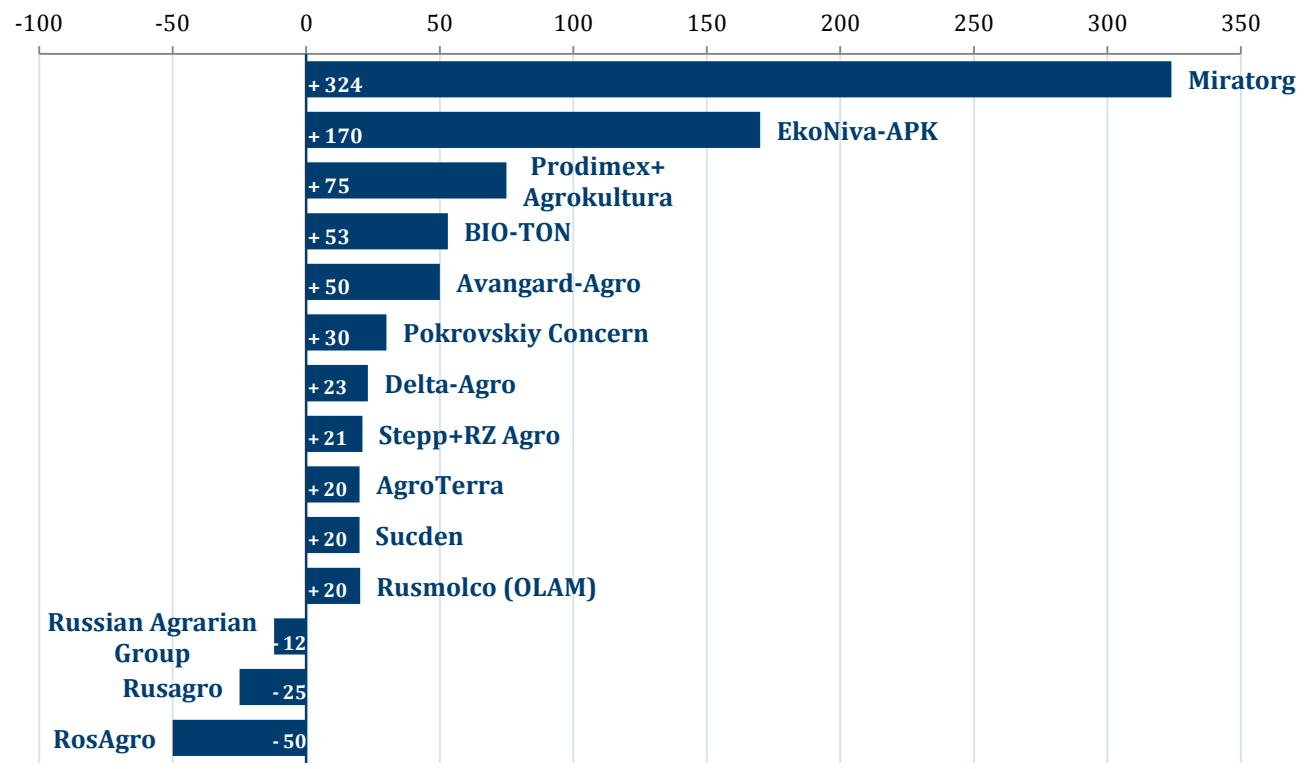
Besides the leaders of the chart, the following companies have visibly gained farmland over the year (from May 2018):

- BIO-TON (+53k ha)
- Avangard-Agro (+50k ha)
- Delta-Agro (+23k ha)
- Stepp+RZ Agro (+21k ha)

Agro-Terra and Rusmolco (OLAM) have added 20k ha each over a year.

The most significant farmland decreases are manifested this year by Russian Agrarian Group (called Molochny Product before 2018), Rusagro and RosAgro. The top companies by gain or loss in controlled farmland are shown in Figure 3.

Speaking of position changes, up went: Krasnoyarskaya zernovaya kompaniya (as the farmland of MK Avida has been added to their land portfolio, see the Notes), Siberian Business Union, BIO-TON, Rusmolco (OLAM), and Russian Agrarian Group went down by the most number of positions (see the table to the right).



**Figure 3. Top companies by gain / loss in controlled farmland from May 2018 to May 2019, '000 ha**

Three companies dropped out of the chart in 2019 due to the reduction of their land portfolios. Set Ile (Republic of Tatarstan) has no land assets under control at the moment, AgroKapitalInvest from Nizhny Novgorod

controls 60k ha this year and RAV Agro-Pro, managed by PPF Group, owns mere 66k ha according to BEFL data.

### Companies which Dropped Out of Overview 2019

Ranking in 2017		Land in control in 2017, '000 ha	Land in control in 2018, '000 ha
41	RAV Agro (PPF Group)	106	66
42	AgroKapitalInvest	105	60
43	Set Ile	105	0

There are four new companies this year. First of all, there is a successful group of companies called 'Svetliy' which operates in the Rostov region and has made several significant acquisitions this year, due to which its land portfolio this year has reached 143 k ha. Another new company – Komsomolets Breeding Farm – comes from the Zabaykalskiy krai and proves to be one of the most efficient agribusinesses in the region. It is continuously

transforming unused agricultural land to arable land.

New companies also include Rubezh Agrofarm from the Saratov region and AgsenProperty – a Russian subsidiary of the Turkish holding which operates in the Penza region. For the moment AgsenProperty controls over 100k ha.

### New Companies in Overview 2019

Ranking		Principal Geography of Land Assets
32	Svetliy Group	Rostov region
40	Komsomolets Breeding Farm	Zabaykalskiy krai
44	Rubezh Agrofarm	Saratov region
45	AgsenProperty	Penza region



## Segment Ratings

BEFL has also analyzed 11 segment ratings for 2017–2018 (based on which year showed the latest information), in order to see to which extent the participants of our chart of the largest farmland owners are present in various ratings of agricultural segments.

Based on the analysis we have identified 6 companies with the most places in different segment ratings, three of which are also in the Top-5 of BEFL rating. The leader here is Agrocomplex, which is in the Top-10 of 6 out of 11 ratings analyzed by BEFL. In meat and milk segments Agrocomplex is second only to Miratorg (cattle population) and EkoNiva-APK (raw milk).

Miratorg is second in the number of rating references but along with Cherkizovo they have the most first places in the ratings. Miratorg is first in pork production, cattle population and the area of farmland. Cherkizovo wins animal feed, chicken and meat production.

In addition to the meat segment, Rusagro is among the Top-10 sunflower oil producers. Agrosila shows great results in the meat and milk segments as well.

Finally, Chelyabinsk agricultural holding Ariant has surprised with the number of positions, among which – the first place in grape production.

**BEFL Chart**      **Company**      **Place in Segment Rating**

Rank	Company	Grain	Cattle	Chicken	Meat	Milk	Raw Milk
4	Agrocomplex	10	2	4	6	2	6
1	Miratorg	1	1	9	2	2	2
3	Rusagro	6	4	10	9	7	7
14	Agrosila	20	7	18	15	16	16
18	Cherkizovo	2	1	1	3	1	1
45	Ariant	38	1	11	24	18	18

50 largest agricultural companies of Russia by revenue in 2017	Top-20 grape producers in 2017/18	Top-25 companies having largest cattle population in 2018	Top-20 Russian pork producers in 2018
Top-20 chicken producers in 2018	Top-25 Russian meat producers in 2017	Top-5 turkey producers in 2018	Top-20 raw milk producers in 2017
Top producers of sunflower oil in 2017/18	Top-30 grain exporters 2017/2018 (July–May)	Top animal feed producers in 2017	<i>Data provided by: Agroinvestor magazine, Vestnik APK magazine, MilkNews Internet portal, www.oilworld.ru</i>

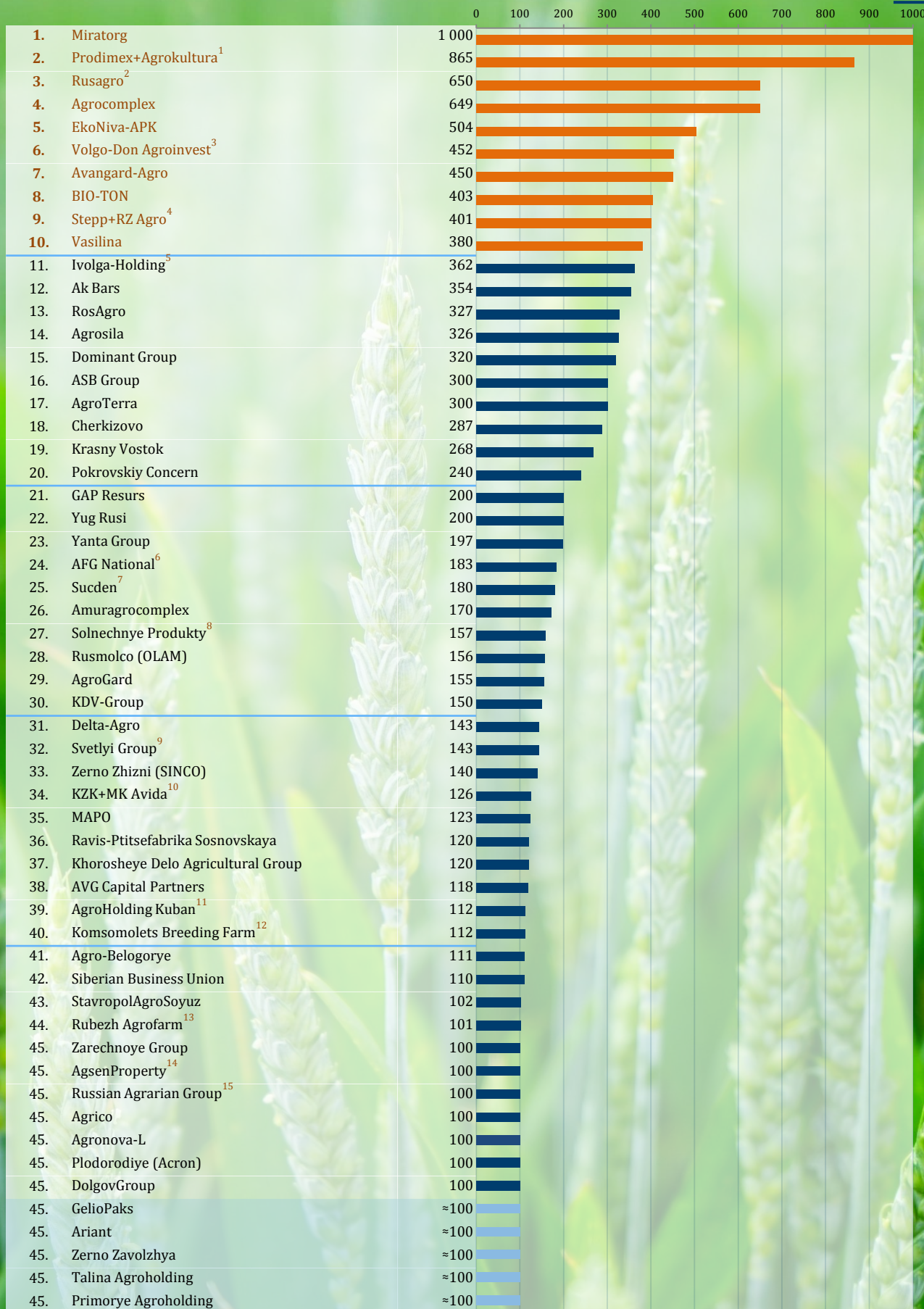
Other companies have top positions in four and fewer segment ratings (see the table below). Thus BEFL chart includes:

- 15 companies which are among Top-50 largest agricultural companies of Russia by revenue in 2017
- 13 companies which are among Top-25 companies having largest cattle population in 2018
- 11 companies which are among Top-25 Russian meat producers in 2017
- 10 companies which are among Top-20 animal feed producers in 2017
- 9 companies which are among Top-20 raw milk producers in 2017
- 7 companies which are among Top-20 chicken producers in 2018
- 6 companies which are among Top-20 Russian pork producers in 2018
- 4 companies which are among Top-30 Russian grain exporters in the season of 2017/2018 (July–May)
- 3 companies which are among Top-10 producers of sunflower oil in 2017/18
- 1 company which is among Top-5 turkey producers in 2018
- 1 company which is among Top-20 grape producers in 2017/18

BEFL Chart	Company	Place in Segment Rating	BEFL Chart	Company	Place in Segment Rating
21	GAP Resurs		20	Pokrovskiy Concern	
41	Agro-Belogorye		27	Solnechnye Produkty	
5	EkoNiva-APK		36	Ravis - Ptitsefabrika Sosnovskaya	
9	Stepp		39	AgroHolding Kuban	
22	Yug Rusi		46	Talina Agroholding	
37	Khorosheye Delo Agricultural Group		24	AFG National	
2	Prodimek		29	AgroGard	
7	Avangard-Agro		28	Rusmolco (OLAM)	
13	Ak Bars		46	Zarechnoye Group	
15	Dominant Group		46	Russian Agrarian Group	
19	Krasny Vostok				

50 largest agricultural companies of Russia by revenue in 2017	Top-20 grape producers in 2017/18	Top-25 companies having largest cattle population in 2018	Top-20 Russian pork producers in 2018
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Top producers of sunflower oil in 2017/18	Top-30 grain exporters 2017/2018 (July–May)	Top animal feed producers in 2017	Data provided by: Agroiinvestor magazine, Vestnik APK magazine, MilkNews Internet portal, www.oilworld.ru

# Russia's Largest Agricultural Landholders, May 2019, '000 ha





<sup>1</sup>The chart shows the total land portfolio of **Prodimex** (675k ha) and **Agrokultura** (about 190k ha), as the companies are affiliated due to a significant interest of the main beneficiary of **Prodimex** in the capital of **Agrokultura**.

<sup>2</sup>**Rusagro** announced in October 2018 that it had acquired the right to purchase the majority interest of Quartlink Holding Limited, which owns **Solnechnye Produkty Holding**, and the debt of the holding. The transaction is pending, and if the completion is successful, a significant part of the farmland controlled by Solnechnye Produkty will be acquired by Rusagro at the end of 2019.

<sup>3</sup>**Volgo-Don Agroinvest** controls the land assets of **Agro-Invest**, **VAPK** and **LAPK**.

<sup>4</sup>**Stepp Agroholding** is controlled by **JSFC Sistema**; **RZ Agro** is controlled by JSFC Sistema and several members of Louis Dreyfus family.

<sup>5</sup>**Ivolga-holding** is losing control of its land assets; a part of the companies controlled by the holding are undergoing liquidation.

<sup>6</sup>The land portfolio in the chart is under the control of **AFG National**, **Vesna Agricultural Company** and **Nizhegorodskaya Agricultural Company** (which are controlled and governed by one group of beneficiaries). The geography of the land assets covers the Krasnodar krai, the Rostov, Novgorod and Nizhny Novgorod regions.

<sup>7</sup>**Sucden** and **Trio Group** signed a preliminary agreement for cooperation in 2019. It is expected that, after the transaction is complete, Sucden will manage the sugar segment and a part of agricultural assets of Trio Group.

<sup>8</sup>**Solnechnye Produkty** – see **Rusagro**.

<sup>9</sup>**Svetlyi Group** is one of the largest agricultural company in the Rostov region with leading results in crop production. Svetlyi Group is cultivating farmland in four districts of the Rostov region.

<sup>10</sup>The land assets of **Krasnoyaruzhskaya zernovaya kompaniya** and **MK Avida** are added up, as the companies are affiliated due to a significant interest of the main beneficiary in both companies.

<sup>11</sup>**AgroHolding Kuban** is controlled by the diversified industrial group **Basic Element**.

<sup>12</sup>**Komsomolets Breeding Farm** is one of the largest crop producing businesses of the Zabaykalskiy krai. Among other crops, it grows wheat, sunflower seeds, buckwheat and soybeans. The company is also engaged in meat production having 10k sheep.

<sup>13</sup>**Rubezh Agrofarm** is based in the Saratov region, produces and sells crops and animal products (meat, milk). Its total cattle number is 3,462 cows; 616 hectares of land are under irrigation.

<sup>14</sup>**AgсенProperty** – a Russian subsidiary of the Turkish Agsen which operates in the Penza region cultivating, among other assets, the former land of Volga Farming. The company has an elevator with 150k tons of storage capacity, produces and sells crops.

<sup>15</sup>**Russian Agrarian Group** was called *Molochny Product* before 2018.

## Disclaimer

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*The sole purpose of the data analysis was to identify the key holders of agricultural land and calculate the approximate size of their land banks. We did not intend to make a complete list of landholders with over 100,000 ha of land in control.*

*It is assumed that there may be other market participants holding a similar amount of land as some of the analyzed companies, but which are not represented in the chart. We welcome such companies to be included in future ratings and invite them to send us their request to our e-mail given below.*

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