BEFL

Russia's Largest Agricultural Landholders 2024

June 2024

Crop Production Summary 2024

The year of 2023 was a cornucopia of political and economic events, which rubbed off on crop production as well. Trends of 2022 became more entrenched: a higher key interest rate entailed an increase in the cost of borrowed funds; high production expenses are getting higher, including the prices for fertilizers, plant protection agents, imported and new domestic machinery and spare parts; workforce is getting scarce, especially qualified employees (rural population in Russia went down from 37 % as of January 01, 2022 to 36,6 % as of January 01, 2024).

Average producer prices for key crops stabilized by the end of the year, some of them went up in comparison with the average of 2022 (soybeans by 24 %, rapeseeds by 42 %, sugar beet by 18 %), but that trend was counterbalanced by export regulations, weather conditions and ever more expensive logistics. Prices for grain and pulses remained low.

There are no signs of abating at the M&A market in the agricultural sector. AK&M reports that the total value of such transactions in agriculture went by 45,5 % y-o-y, but the number of deals went up.

Against the backdrop of disappointing margins, the following tendencies have taken shape in crop production:

- further consolidation of farmland (see the land gain of the overview participants on pages 5 to 8);
- focus on domestic seed production;
- diversification of pure crop producing companies to animal breeding; one of the latest example is the purchase of Zarechnoye by AFG National;
- choice of alternative and potentially exportable crops: lentil seeds (+62 % to the planted area of 2022), chickpeas (+34 %), peas (+23 %), buckwheat (+14 %);
- a wider range of agricultural assets to invest in;
- reassessment of risks connected to farmland with an eye to the new court case history and unfolding day-to-day events;
- investments in processing, including deep processing.

One more trend calls for special attention. There has been an intense focus of the state on the agricultural sector in general and crop production in particular:

- state monitoring systems have been introduced, among which for crop production: EFIS ZSN (for land statistics) FGIS Zerno (for crop movements), FGIS Tserber (for veterinary medicine and phytosanitary control), FGIS Saturn (for plant protection chemicals and fertilizers). FGIS Semenovodstvo (for seeds) will become mandatory on September 01, 2024;
- export quotas and duties are still in place;
- the amount of subsidies to agricultural producers is growing: the Ministry of Agriculture reported RUB 195.2b of subsidies in 2023 (compared to RUB 164.5b in 2022 году), the amount of the state support in 2024 is expected to be even higher;
- takeovers of agricultural companies to be controlled by the state. The overview participants owned by the Russian state are Ariant, Pokrovskiy Concern (managed by Labinskiy Agroholding). The shares of AgroTerra Group companies are temporarily managed by the Russian state.

According to Rosreestr, as of January 01, 2006 Russia has 401.5m ha of agricultural land, of which the state owned 275.8m ha and 125.7m ha was privately owned (by individuals and legal entities). The share of land owned by organizations in the total private freehold was 5.0m ha.

The latest data published by Rosreestr as of January 01, 2023 shows that the total area of agricultural land was 379.1m ha, nearly 6 % less than at the end of 2005. The share of the state-owned land decreased by 8.8 % to 251.5m ha; the share of farmers ownership went down from 120.7m ha to 104.1m ha (by 13.8 %). Organization, however, expanded their freehold by an impressive 371.4 % to own 23.6m ha.

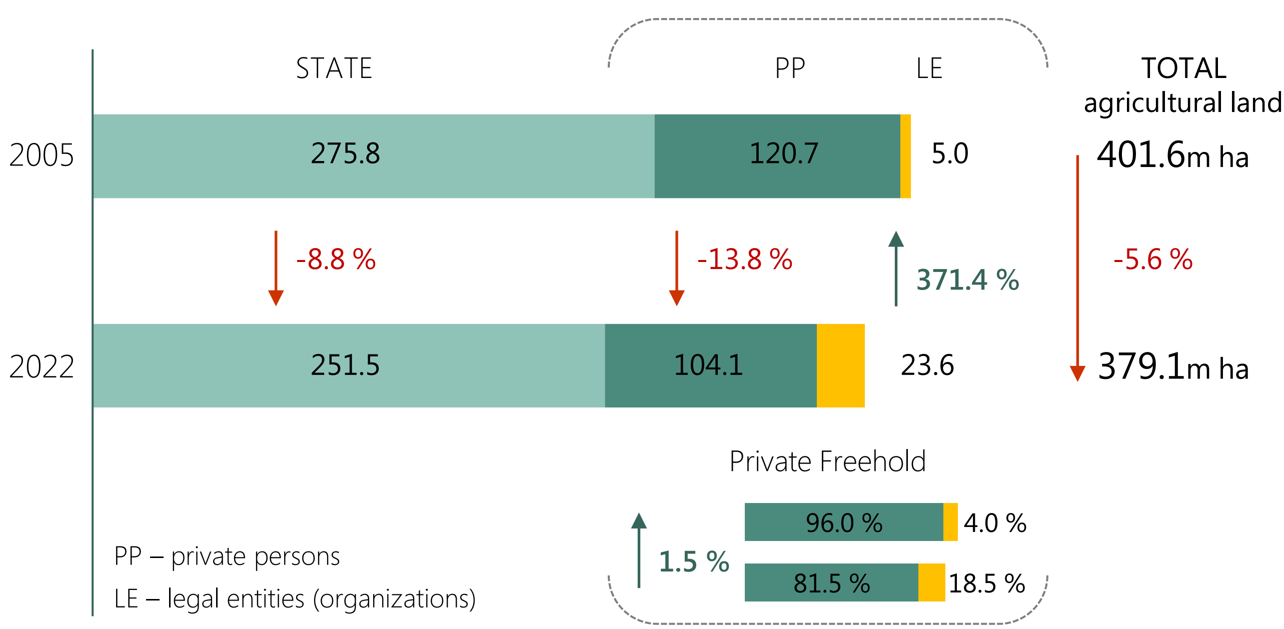
Within 17 years the share of organizations freehold in the total area of agricultural land went up from 1.2 % to 6.3 %, and in the total privately owned area – from 4.0 % to 18.5 % (see the graph below). These figures show a clear tendency of waning agricultural land areas and gradual consolidation of privately owned agricultural land by organizations.

The figure on the next page shows a growing trend of gaining freehold land owned by legal entities (see the values below the graph). Over the period from 2006 to 2011, the growth rate was rapid, reaching 20 % per year. After that the pace got slower and fluctuated between 4 % to 5 % in the recent decade. The spike in percentage value is attributable to the low base effect; the growth rate in hectares ranged between 0.7m ha to 1.7m ha. On average, agricultural companies purchase up to 1m ha of agricultural land every year.

BEFL estimates that the growth rate in 2023–2024 will remain steady, and by the end of the current year legal entities will own well over 25m ha of agricultural land.

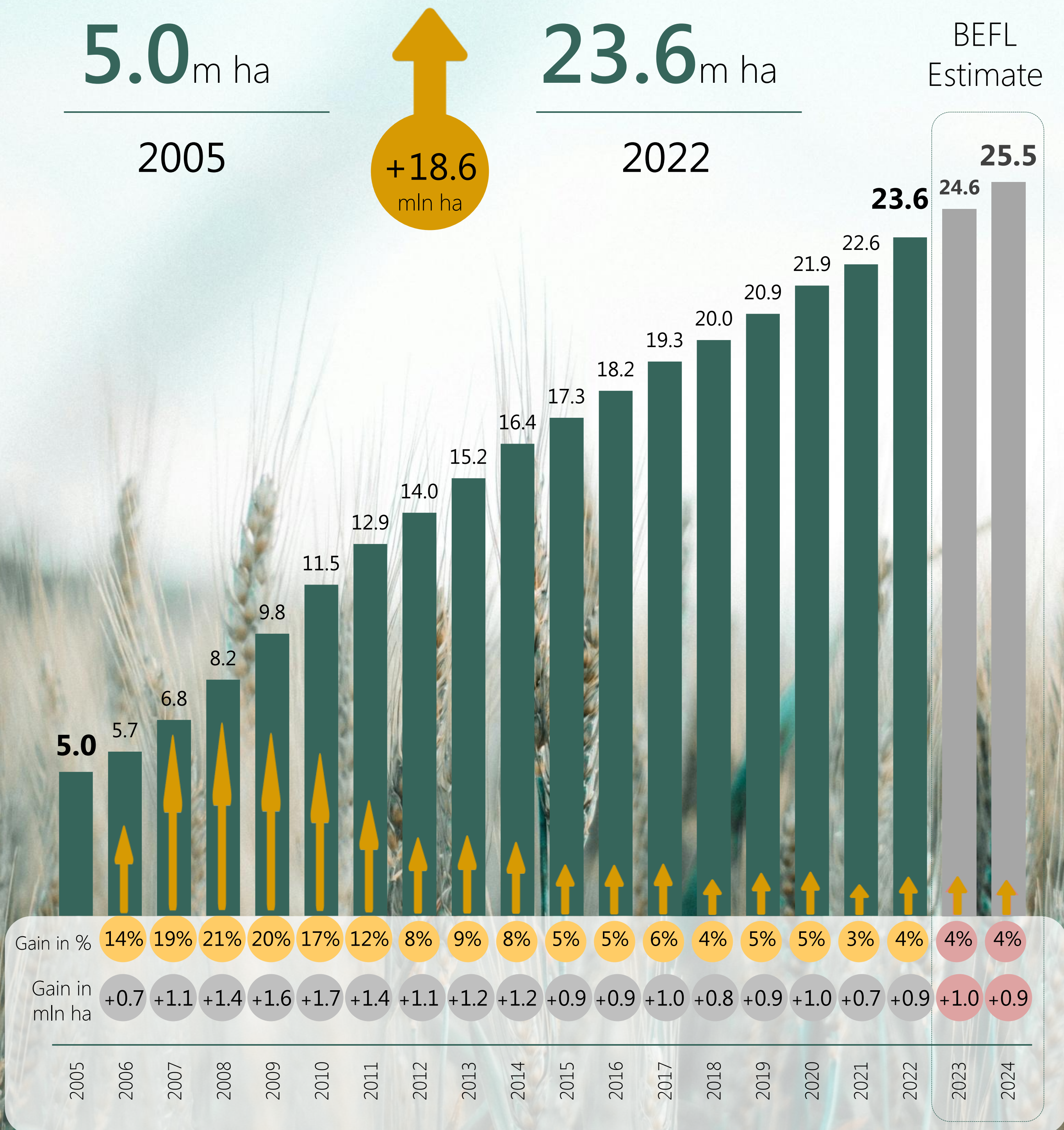
Redistribution of freehold to agricultural land from 2005 to 2022

area in mln ha / changes for the period in %



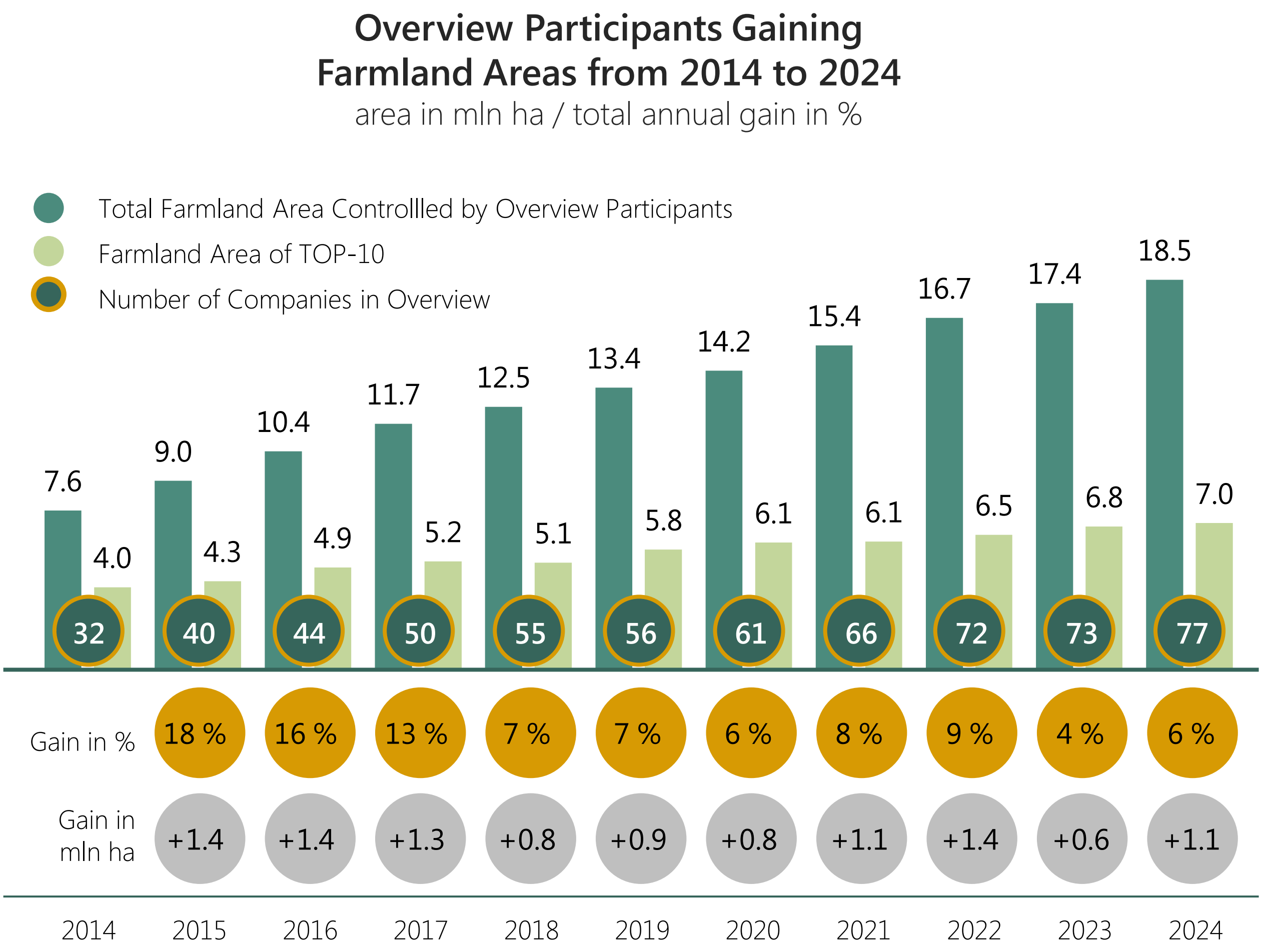
Input Data Source: Federal Service for State Registration, Cadastre and Cartography (Rosreestr)

Growth rate of agricultural land owned by legal entities since 2005*,
area in mln ha / annual gain in %



Input Data Source: Federal Service for State Registration, Cadastre and Cartography (Rosreestr)
**latest published data by Rosreestr as of January 01, 2023*

Comments to Overview 2024



Over the past 11 years the total farmland area controlled by the overview participants grew by 10.8m ha. As a reminder, this area includes all types of agricultural land, including arable land, pastures, neglected land, inarable land, etc., which is controlled by the overview participants as freehold, leasehold or under any other legal title.

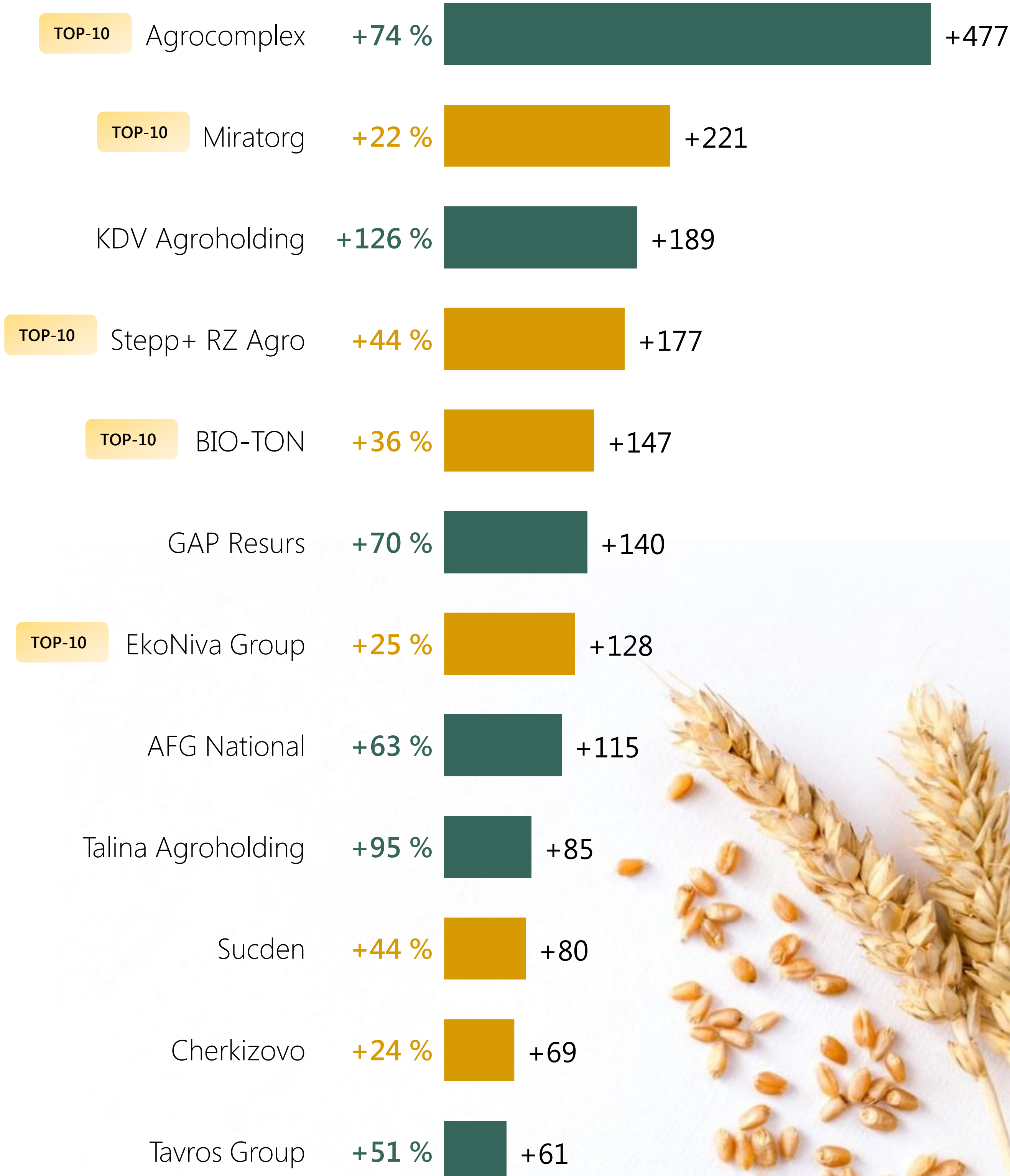
The graph at the top of the page shows the gain in the total farmland area of the overview participants in percentage and million hectares. On average, the annual gain is roughly 1m ha. The illustrated trend is shaped by two factors:

- currently rated companies gaining farmland: large companies becoming larger; middle-sized companies catching up;
- growing number of companies in the overview due to the expansion of stronger market players and their increasing transparency. Every year more and more companies disclose information and become known to the public.

12 companies from our ranking whose land assets have increased by more than 50k ha since 2019 are presented on the next page. TOP-10 might still have some of the most significant gains in hectares, but the leaders in percentage terms are less obvious: KDV Agroholding (TOP-15) had a notable uptick by 126 %, GAP Resurs (TOP-15) showed an increase by 70 %, AFG National (TOP-20) and Talina Agroholding (TOP-40) extended their land portfolios by 63 % and 95 % respectively.

Gain in Land Portfolios of Companies in Overview for 5 years (from 2019 to 2024)

area in ‘000 ha / gain over the period in %



Overview Facts and Changes

against May 2023

Total number of companies — **77** — **+4**

Total land portfolio, mln ha — **18.5** — **+6 %**

Overview 2024 has 77 companies. Their total farmland portfolio amounted to 18.5m ha, which exceeds last year results by 1.1m ha.

There are six newcomers in the Overview, the land portfolio of which totals 990k ha.

Three companies left the ranking:

– Zarechnoye Group (sold to AFG National);

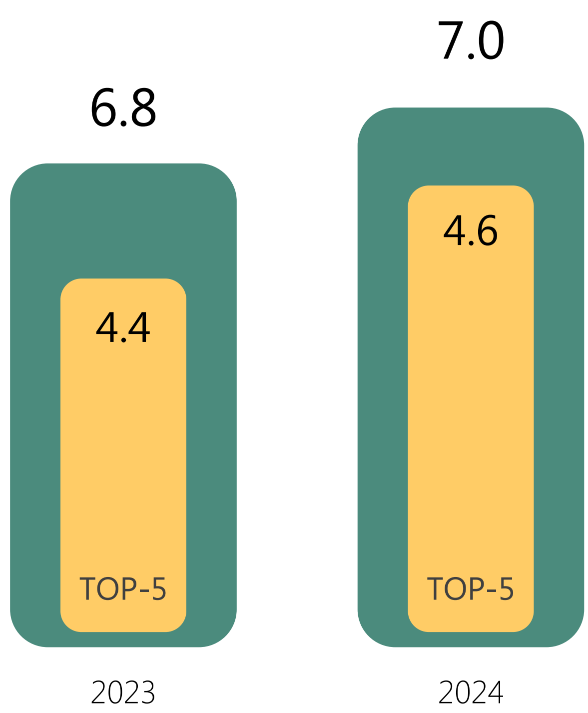
– Ravis Agroholding (its land assets in 2024 are way under 100k ha);

– Komsomolets Breeding Farm (sold to Goodness Foods Agro).

The total land portfolio of the TOP-5 this year is 4.6m ha – 25 % of the total land bank of the ranking; the total land portfolio of the TOP-10 is 7m ha – 38 % of the total land bank of the ranking.

For the first time in the history of the Overview the TOP-10 stayed the same without budging from their places. They scaled up by 158k ha, almost all of that to be credited to the TOP-5.

TOP-10
Change in Total Land Area over Year, mln ha



The companies with the most significant changes in their land portfolios over the year are given below.

The changes in the land portfolios of ASB Group, MAPO, Agrosila, Amuragrokompleks and Chistopolye Agroholding resulted from receiving the updated information in comparison to what was available earlier. The new figures were submitted by the companies or taken from open sources.

Among other companies, Miratorg increased its land bank by 116k ha, AFG National expanded by 98k ha, the agricultural segment of ARSIB Group in the Tyumen region boosted its land assets by 73k ha, Zerno Zhizni (SINCO) grew by 35k ha this year, Talina Agroholding and Cherkizovo gained 25k ha each. Pokrovskiy Concern (managed by Labinskiy Agroholding starting this year) lost 24k ha.

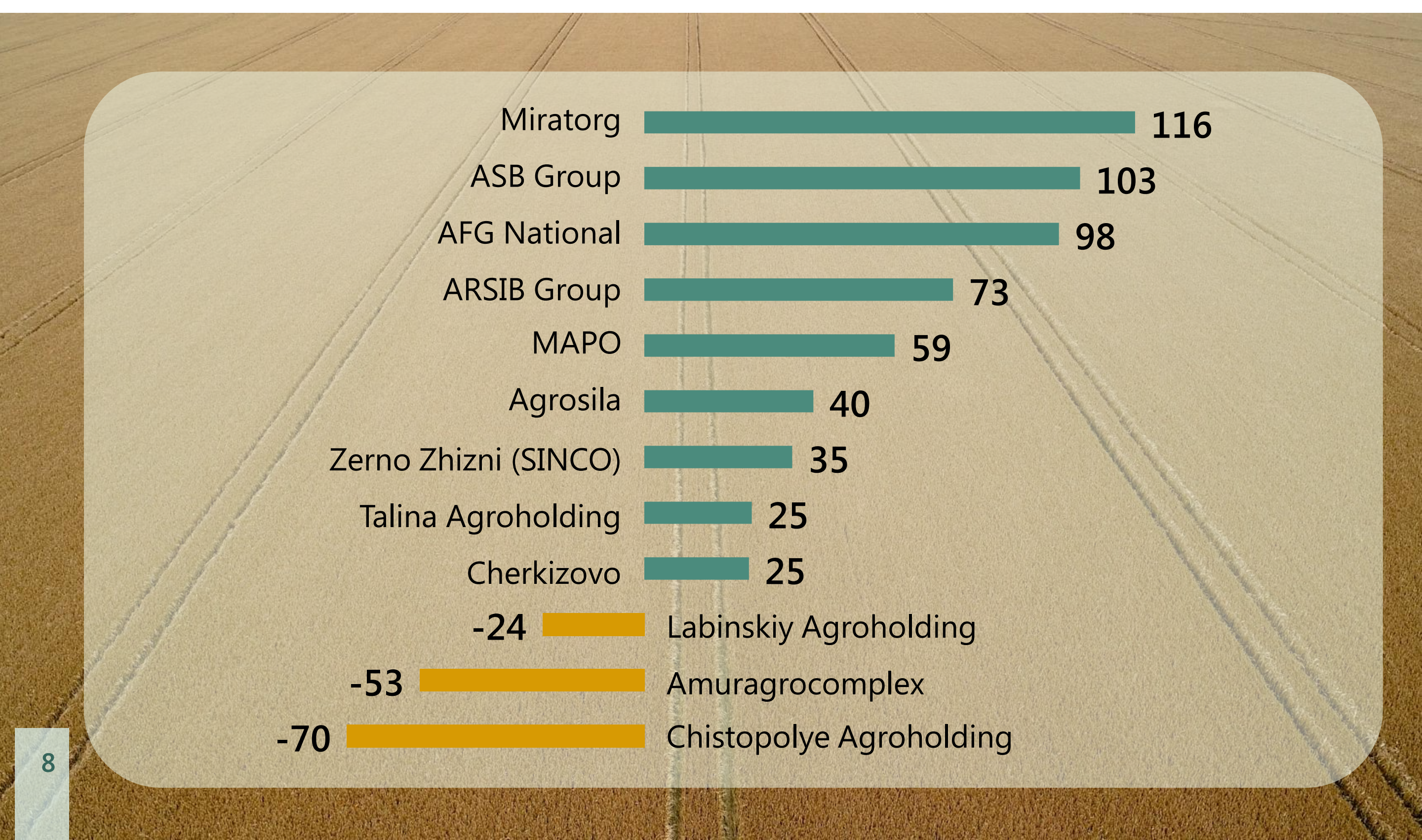
The most notable shifts in rankings of the companies are given on the right.

Most Significant Changes in Rankings of Companies

ASB Group	**19**
MAPO	**18**
AFG National	**11**
ARSIB Group	**10**
Zerno Zhizni (SINCO)	**4**
Labinskiy Agroholding	**-6**
Chistopolye Agroholding	**-13**
Amuragrocomplex	**-18**

Top Companies by Gain in / Loss of Controlled Farmland

from May 2023 to May 2024, ‘000 ha



Newcomers in 2024

ranking is given on the left;
regions mean key farmland geography

26

Goodness Foods Agro

Stavropol Krai, Zabaykalsky Krai, Leningrad region, Tambov region, Moscow region

An investment fund that unites Irrico Group, Molochnaya Kultura Group, Yakhroma Group and Komsomolets Breeding Farm. After the purchase of the latter, the fund reached a land portfolio of over 100k ha and made it into the TOP-30 right away.

31

Urozhay Group

Republic of Bashkortostan

A number of companies engaged in crop production, dairy cows breeding, port and poultry meat production.

54

ASB Agroholding

Stavropol Krai, Rostov region, Krasnodar Krai,

A crop production company in the South of Russia. New business areas are poultry farming, growing vegetables and winemaking.

55

Agroeko Group

Voronezh region, Tula region

The Group has 45 pig farms, its own cropland for feeds, three feed mills, a genetic selection centre and meat processing facilities.

53

AgriVolga (Agranta Group)

Yaroslavl region

Agranta Group is engaged in agriculture, organic food production, agricultural processing and tourism.

AgriVolga is the group project to produce crops, milk, fermented milk and meat products in the Yaroslavl region

67

Martin Group

Krasnodar Krai, Saratov region, Voronezh region, Orenburg region

A large producer of snacks, drinks, sauces and canned food.

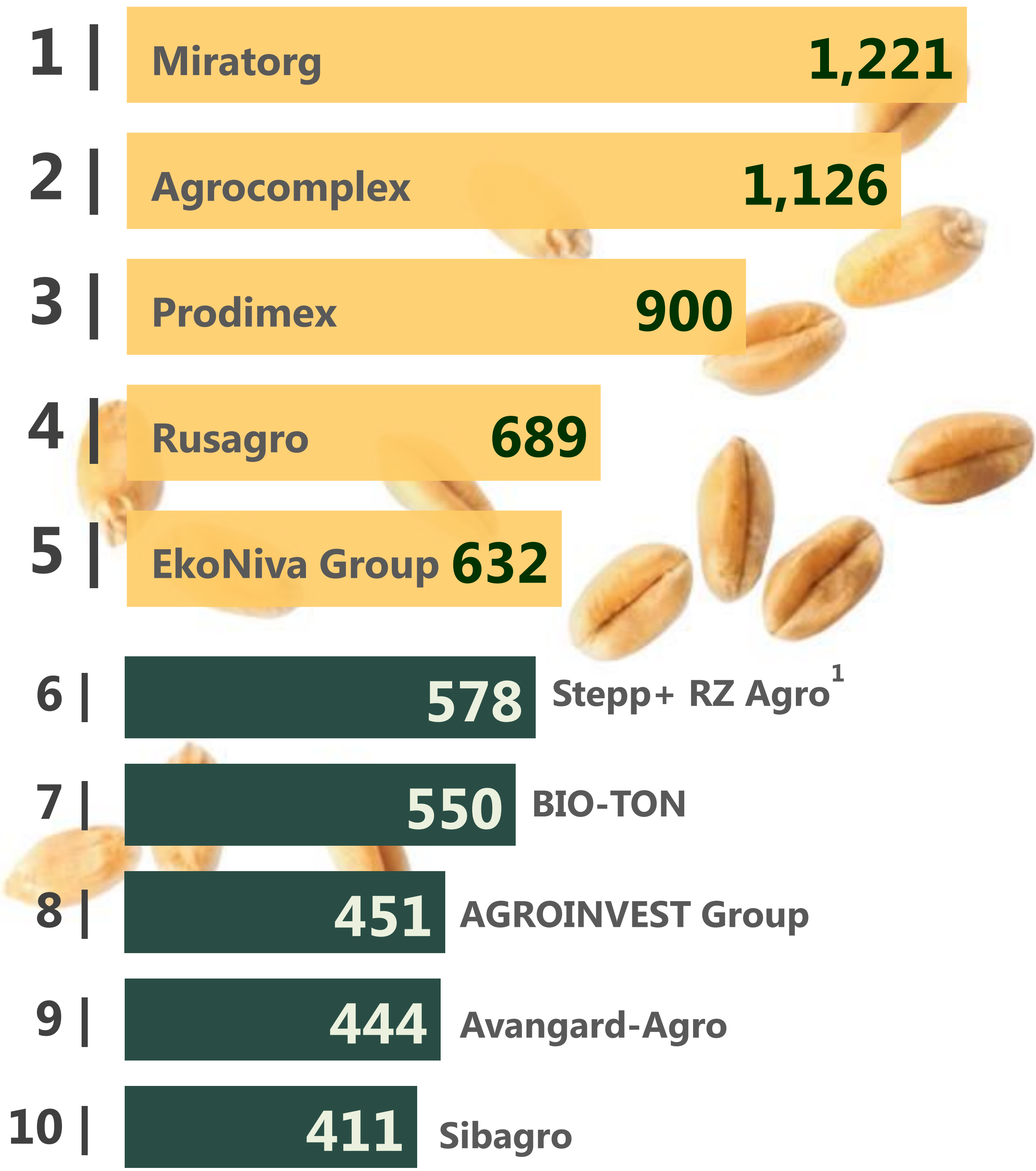
Shakhunskoye moloko

Kirov region, Nizhny Novgorod region

A producer and processor of milk in the Volga region.

Russia's Largest Agricultural Landholders

as of May 2024, '000 ha



TOP-20

11	Vasilina	380
12	Cherkizovo	356
13	GAP Resurs	340
14	KDV Agroholding	339
15	Agrosila	330
16	Dominant Group	320
17	AFG National	298
18	AgroTerra	265
19	Sucden	260
20	Avgust	260

TOP-30

21	Kosminvest	258
22	AEON Agro	240
23	Shchelkovo Agrokhim	238
24	Krasny Vostok Agroholding	238
25	ASB Group	238
26	Goodness Foods Agro[2]	235
27	MTS Yershovskaya	226
28	Labinskiy Agroholding[3]	218
29	ARSIB Group	217
30	Ak Bars	216

TOP-40

31	Urozhay Group[4] (Bashkortostan)	200
32	Yanta Group	197
33	Svetly Group	184
34	MAPO	182
35	Tavros Group	179
36	Talina Agroholding	175
37	Zerno Zhizni (SINCO)	175
38	AgroGard	157
39	Rusmolco (OLAM)	154
40	Chistopolye Agroholding	151

TOP-50

41	Agrodinamika Group	144
42	Izberdey	140
43	MTS Tsentralnaya	140
44	Khorosheye Delo Agricultural Group	140
45	Selkhoztekhnika	136
46	Progress Agro Group	135
47	Agropromkomplektatsiya Group	134
48	A7 Agro	130
49	Altayskaya Prodovolstvennaya Kompaniya	129
50	Doronichi Group	128

TOP-60

51	Amuragrocomplex	127
52	KZK + MK Avida[5]	126
53	Siberian Business Union	125
54	Khuzangayevskoye	120
55	AgriVolga (Agranta Group)[6]	115
56	ASB Agroholding[7]	114
57	Agroeko Group[8]	113
58	Delta-Agro	111
59	Urozhay (Saratov region)	110
60	Agro-Belogorye	110
61	Zerno Zavolzhya	110
62	Rubezh Agrofarm	110
63	Grainrus Group	110
64	GelioPaks	108
65	Damate Group	108
66	StavropolAgroSoyuz	102

Line 67 (around 100k ha)

67

~100	Agrico
~100	Agsen Property
~100	Ariant
~100	Avtotor-Agro
~100	DolgovGroup
~100	Kits Agrofirma
~100	Martin Group[9]
~100	MNGSK
~100	Nazarovskoye
~100	Shakhunskoye moloko[10]
~100	Yubileiny Agroholding

Notes

[1] **Stepp Agroholding** is controlled by JSFC Sistema; **RZ Agro** is controlled by JSFC Sistema and Sierentz Group (controlled by the members of Louis Dreyfus family).

[2] **Goodness Foods Agro** is an investment fund that unites Irrico Group, Molochnaya Kultura Group, Yakhroma Group, Komsomolets Breeding Farm and a trading company. It grows vegetables in irrigated areas and produces seeds, milk and dairy products.

[3] **Labinskiy Agroholding** is a managing company of Pokrovskiy Concern.

[4] **Urozhay Group** is one of the largest agricultural companies in Bashkortostan. The Group grows crops, including seeds, produces milk; this year they purchased pork and poultry producing facilities.

[5] **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.

[6] **AgriVolga** – is a group of companies owned by **Agranta Group**. The company produces crops, milk, fermented milk and meat in the Yaroslavl region.

[7] **ASB Agroholding** is a crop-growing agricultural holding located in the Stavropol Krai, Rostov region and Krasnodar Krai. The holding also includes poultry, vegetable and wine segments.

[8] **Agroeko Group** is a vertically integrated pig-breeding holding, one of the leaders in pork production in Russia. It has its own facilities for the production of feed and meat products.

[9] **Martin Group** is a large producer of snack products, canned food and beverages, pasta and flour; the group also includes mushroom production companies. In the crop production segment, it grows and stores grains and oilseeds. One of their main focus is confection sunflower.

[10] **Shakhunskoye moloko** is one of the leading milk producers of Russia; its business segments are crop production and dairy cows breeds in the Kirov and Nizhniy Novgorod regions.

Disclaimer

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. The term "controlled by" used in this Overview means possession of farmland including ownership, leasehold or any other legal title.

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 email given below.

The analytical data were consolidated from the sources considered reliable by our experts, including public information at companies' official websites, provided by representatives, shareholders, beneficiaries of companies, market participants, the Unified Federal Information System on Agricultural Land (EFIS ZSN). BEFL cannot guarantee the accuracy of the information on the size of land portfolios of the participant companies.

The information provided is the property of BEFL. Any use of this information, or part of it, such as making references, quoting, copying, reproducing, distributing etc., is permitted only in its original form and format, with reference to BEFL.

This material has informational value only and is not intended to and does not constitute, or form part of, an offer or an advertisement of any services provided by BEFL.

BEFL and its affiliates or directors, partners or employees, or any persons involved in compiling and issuing this information expressly disclaim the responsibility for the consequences of using the information expressed herein by clients or applying this information by the recipient to fulfill certain objectives and do not provide any representation, assurance or guarantee that this information is valid, accurate or complete.

This material is not and cannot be considered as strategic, investment, financial, legal, tax and / or other advice. The recipient of this material should seek consultancy of specialists in the relevant areas of expertise. The information expressed herein may be altered, corrected, revised or updated whereas BEFL disclaims any obligation to notify any person in whose possession this material or any part of it may come of such alterations, corrections and additions.

Contacts

LLC BEFL

Floor 3, Office B, 12 Trubnaya Street,
Moscow, 107045 Russia
Tel.: +7 (495) 649-81-55

68a Oktyabrskaya Street, Oryol, 302040, Russia
Tel.: +7 (4862) 422-224

www.befl.ru

Person to contact:
Inessa Valueva

Tel.: +7 (910) 309-00-25
Email: valueva@befl.ru