



BEFL

Russia's Largest Agricultural Landholders 2021

May 2021

Overview 2021: summary of the year and trends

The events of last year not only upended life as we know it, but affected all global economy sectors without exceptions. Covid-19 pandemic has been especially brutal to certain spheres, but agriculture has proved to be quite resilient.

Small individual farms with lifelines rooted in HoReCa, open air trade fairs and having no opportunity to switch to e-commerce in a twinkle of an eye ended up on the brink of bankruptcy. However, 2020 acted as an accelerator for the development, prompt strategy changes and production growth in medium-size and large companies with effective management and as an incentive for new investors to enter the agricultural sector.

In addition to the pandemic, last year Russia also faced ruble devaluation and slumping oil prices, hindered logistics of seeds, plant protection agents, feed additives, weather anomalies like the drought in the south of Russia and some areas of the Volga region.

On the other hand, the commodity and end product prices soared. All that happened against the backdrop of waning household incomes.

The ambiguous economy situation of the recent months is also reflected in the overview of largest farmland holders in 2021. The farmland market has been buzzing with purchase and sale of crop production businesses and land for months already, as a result, many companies in the list considerably increased their land portfolios.

Within the most headline-making transaction since May 2020, medium-sized and large agricultural holdings acquired thousands of hectares, some purchases exceeding 100k ha, but the media covered only the tip of the iceberg (see the table below); the scale of actual transactions with farmland last year was much more impressive.

Major Publicly Announced M&A Deals Involving Farmland

Sibagro	GAP Resurs	KDV Agroholding
137,5k ha	130k ha	98k ha
AO PromAgro, OOO Vpered, AO Agroholding Sibiryak, etc.	OOO Rostovskaya Niva	OOO AK Tambovskiy, OOO Pichayevo-Niva, etc.
Belgorod region, Kemerovo region, Krasnoyarskiy krai	Rostov region, Volgograd region	Tambov region
Avgust	Stepp Agroholding	Sucden
59k ha	24k ha	5k ha
AO Zemelnaya Korporatsiya Lider, assets of AO Tatagroleasing	OOO Vysotskoye, OOO SP Chapayevskoye, ZAO SPKh Zarya	a part of the assets owned by Terra-Invest Agroholding
Republic of Tatarstan	Stavropol Krai	Lipetsk region

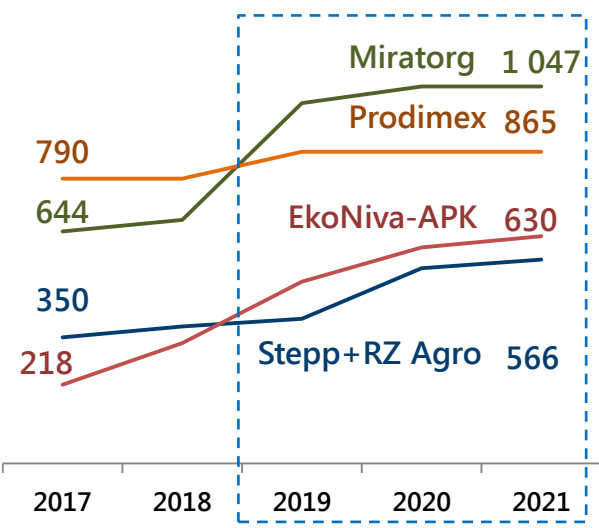
The Overview 2021 includes 66 companies, the total area of the Overview is about 15.4m ha.

Agricultural holding has become more open and transparent when it comes to public information about their assets and operating activities, which led to a record number of new companies in the Overview this year.

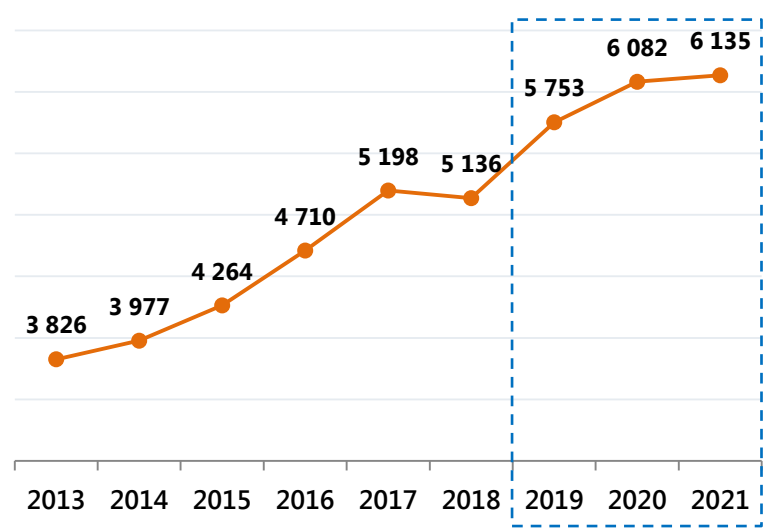
The total area of all companies listed

in the Overview exceeds the last year's figure by 8 % (around 1,2m ha). And that is not only about the newcomers; the leading companies keep growing quite consistently. The dynamics of the TOP-10 total land portfolio demonstrates a sharp ascending trend in the recent three years. The leaders in gaining farmland also show growth during the same period of time (see the figures below).

Most significant gain in farmland over 5 years, '000 ha



Rising trend of gain in farmland by TOP-10 from 2013 to 2021, '000 ha



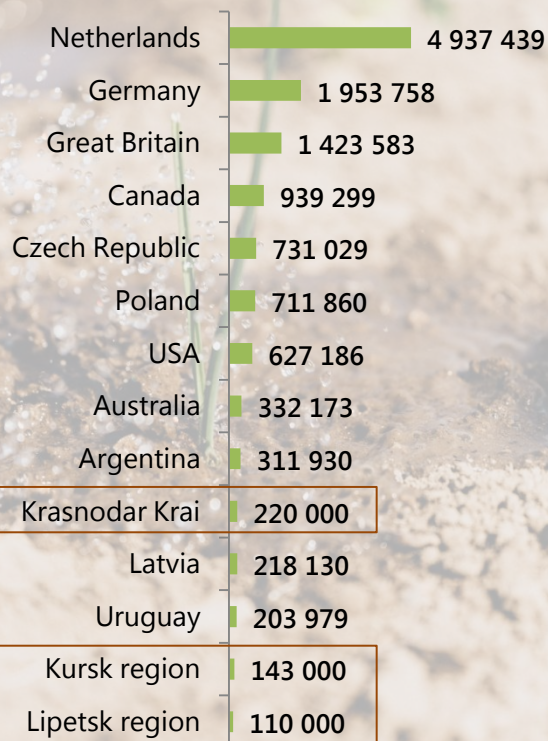
Over the past 9 years (from 2013 to 2021) TOP-10 companies have changes dramatically, however Prodimex (+Agrokultura), Rusagro and Miratorg have remained above the 10th spot until now, the assets of Agro-Invest were acquired by AGROINVEST Group (controlled by Volgo-Don AgroInvest) and returned to the leaders' league in 2020. Since 2013, four companies have become insolvent and vanished from the ranking.

Agrocomplex, Stepp Agroholding and Avangard-Agro have remained in the TOP-10 for five straight years.

2013	2017	2021
Prodimex	Prodimex	Miratorg
Rusagro	Rusagro	Prodimex
Vamin Tatarstan	Miratorg	Agrokomplex
SAHO	Agrokomplex	Rusagro
Razgulay	Ak Bars	EkoNiva-APK
Ivolga-Holding	Ivolga-Holding	Stepp+RZ Agro
Krasny Vostok	RostAgro	BIO-TON
Miratorg	Avangard-Agro	Avangard Agro
Agro-Invest	Stepp+RZ Agro	AGROINVEST Group
Ak Bars	Dominant Group	Vasilina

The reasons for the excitement in crop production business M&As are many, including a palpable increase of profit in the sector, good yields and growing commodity prices. According to the *Russian Statistics Service*, from December 2019 to December 2020 the average wheat prices increased by 27 %, corn prices – by 36 %, sunflower seed prices – by 54 % (oilseed prices grew by other 17 % by March 2021).

Average Cropland Prices in 2020, RUB/ha



Aside from that, the vigorous development of Russian agriculture over the recent years has brought better infrastructure, many new storage facilities, developed sea port terminals; farmland in common ownership is being more and more consolidated, which makes the structure of land titles more comprehensive for a buyer.

All those factors triggered a lot of interest to crop production in its pure form, and the rising commodity prices forced animal breeders to expand the share of their own animal feed, which brought them to the acquisition of new farmland assets.

The demand for large quality land clusters, which are ready for a mass agricultural production, or ideally for a ready-made agricultural business with a solid area of cropland, influenced the market, having shaped the 'seller's market' where the prices for farmland spiked within a very short period of time (less than a year).

From end of 2020 through the beginning of 2021 cropland prices in Russia went up; in the southern part of Russia they reached the average cropland prices of the Latin America.

The central regions (Voronezh, Kursk, Lipetsk, Oryol, Tula and other Black Soil regions) show

the fastest growth rates of land prices. The price per 1 ha of cropland there is rarely below RUB 100k. The prices in the south of Russia may reach RUB 250–270k per 1 ha of cropland.

According to the *Russian Federal Service for State Registration, Cadastre and Cartography (Rosreestr)*, Russia had 122.7m ha of cropland on January 01, 2020, which is 55 % of the total area of agricultural land in the country (see below).

221.9m ha
agricultural land

122.7m ha
cropland
(55 % of agricultural land)

4.9m ha
abandoned farmland

Since 2013, the Overview has expanded from 30 to 66 companies, and its total farmland area has increased by more than 8m ha – from 7.2m ha to 15.4m ha.

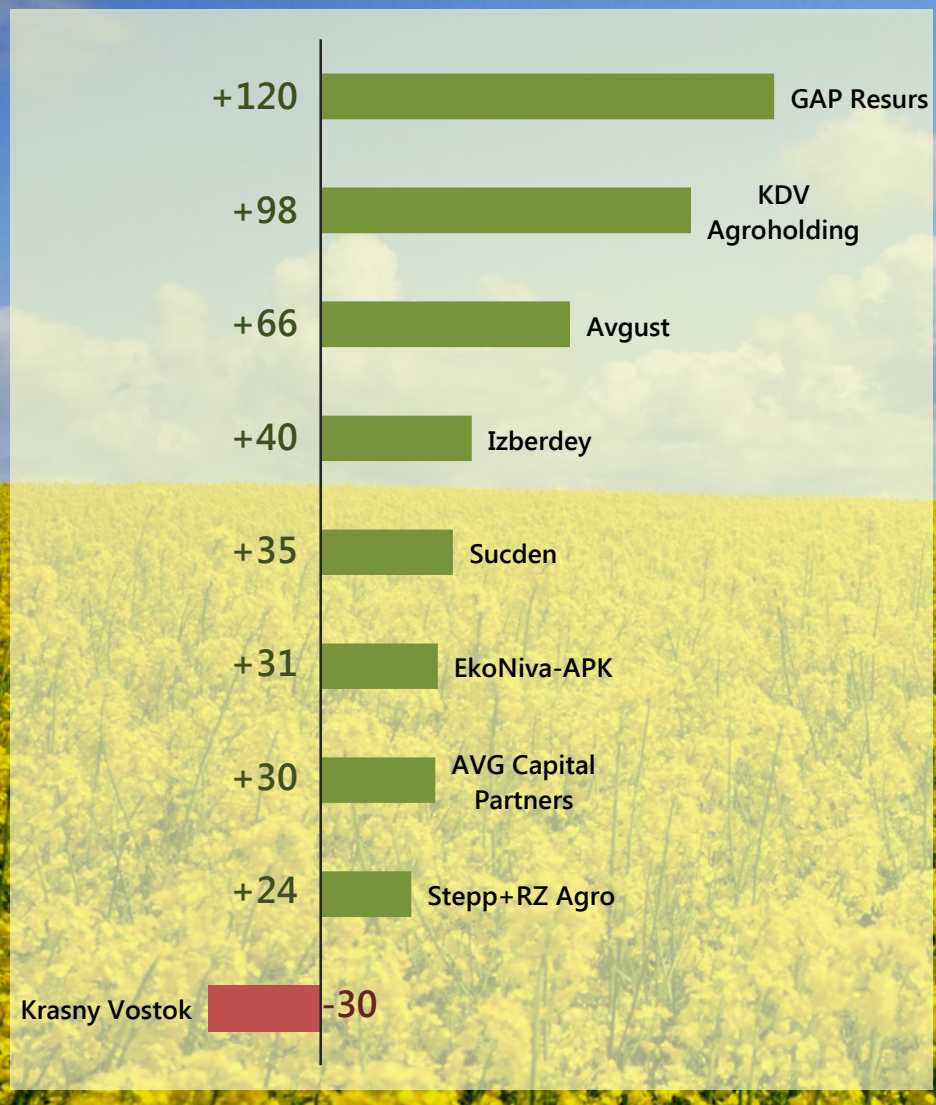
First time in the history of this Overview the list and the positions in the TOP-10 have not changed in spite of the increase in the farmland of *Agrocomplex* (+7k ha), a significant gain by *EkoNiva-APK* (+31k ha) and a slight decrease of the land assets owned by *Rusagro* (-6k ha).

Stepp Agroholding keeps gaining new land assets, but stays in the 6th spot, and the other companies of the 10 leaders show no changes, with the exception of minor land portfolio corrections by *AGROINVEST Group* and *Avangard-Agro*.

The list of companies by the gain of land this year (without new companies) is topped by *GAP Resurs* (+120k ha). Some of the companies have been in the list for several years – *KDV Agroholding* (+98k ha), *EkoNiva-APK* (+31k ha), *AVG Capital Partners* (+30k ha) and *Stepp Agroholding* (+24k ha). Significant land gains have been made by *Avgust* (+66k ha), *Izberdey group* (+40k ha) and *Sucden* (+35k ha).

Krasny Vostok reduced its farmland only slightly (-30k ha).

Top Companies by Gain / Loss in Controlled Farmland from May 2020 to May 2021, '000 ha



The following companies did not make the cut this year: *Plodorodiye* (a crop production company owned by *Acron*) due to the reduction of its land assets, *Rostovskaya niva*, which was acquired by *GAP Resurs*, and *Ivolga-Holding*.

There has been a serious shuffle of spots in the list. *Av gust* rushed up 21 lines; *Izberdey* moved up 17 lines (see the table to the right).

However, the higher is the spot taken by a company, the harder it is to climb up, because the land portfolios of each of the first twenty companies is already over 250k ha. Thus *GAP Resurs* and *KDV Agroholding* moved up only 9 and 6 spots respectively in spite of a colossal gain in land assets, but both of them wound up in this year's TOP-15.

Progress Agro Group (formerly *Kuban Agroholding*) and *StavropolAgroSoyuz* fell by 6 lines; *Solnechnye Producty* went down 7 lines, but there were no significant changes in the land assets of those companies. The lower positions in the ranking are a consequence of the land gains by other companies in the list.

Having a one-year break, *Agrico* is again in the list. Besides, there are 7 other new companies including the showstopper of the year – *Sibagro Group*.

The group has expanded its farmland assets quite dramatically and debuted in the TOP-20.

Most Significant Position Changes in Overview 2021

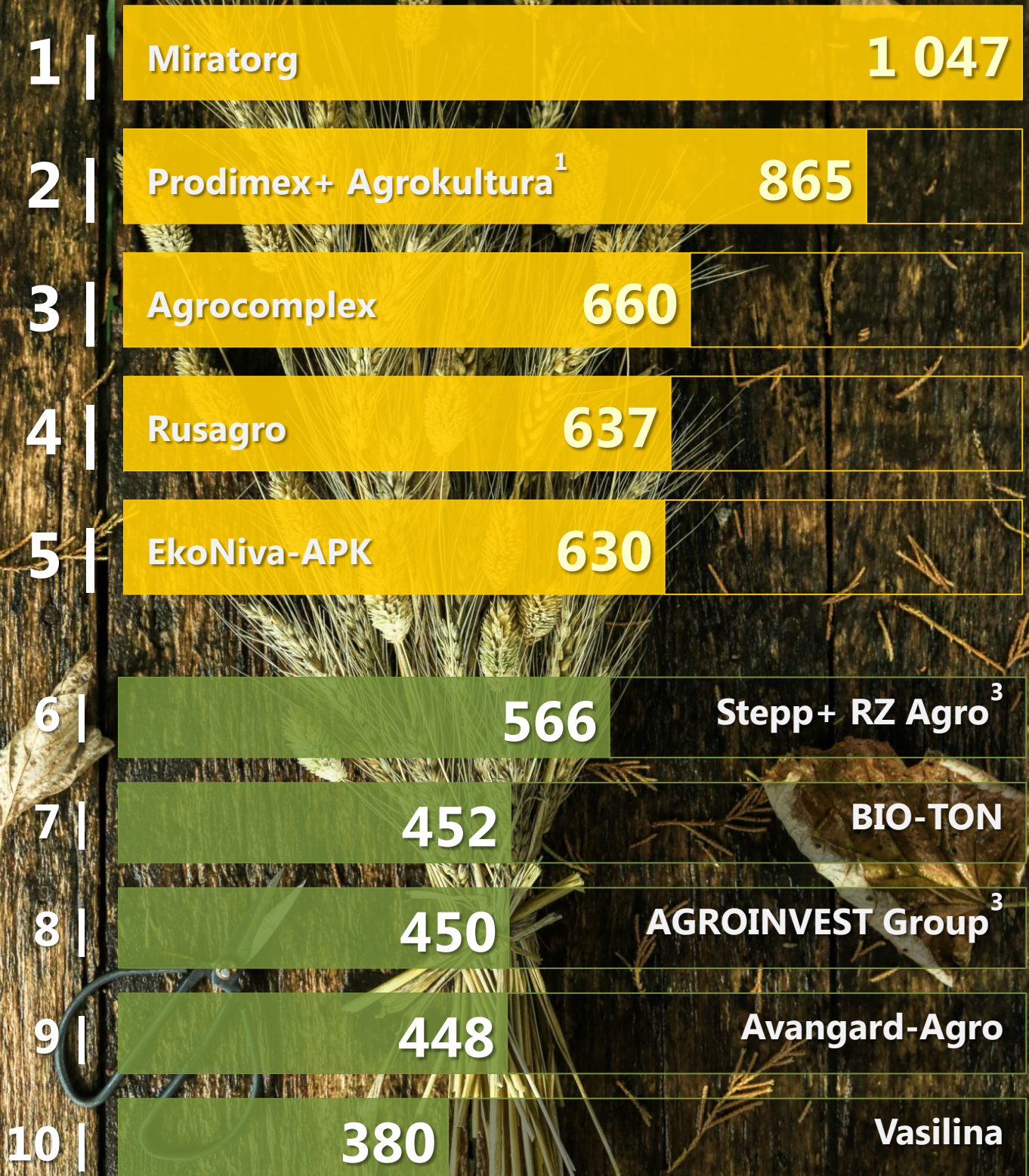
Av gust	21	↑
Izberdey	17	↑
GAP Resurs	9	↑
KDV Agroholding	6	↑
Progress Agro Group	6	↓
StavropolAgroSoyuz	6	↓
Solnechnye Produkty	7	↓

Newcomers in 2021

Ranking		Principal Geography of Farmland Assets
19	Sibagro	Belgorod region, Kemerovo region, Krasnoyarskiy Krai, Sverdlovskaya region, Tomsk region, Tyumen region
23	MTS Yershovskaya	Saratov region
26	Shchelkovo Agrokhim	Orenburg region, Oryol region, Ulyanovsk region
36	Selkhoztekhnika	Saratov region
40	Altayskaya Prodovolstvennaya Kompaniya	Altai Krai
58	Agrico	Krasnodar Krai, Stavropol Krai
58	MOSNEFTEGAZSTROYKOMPLEKT (MNGSK)	Kursk region
58	APK Vozrozhdeniye	Stavropol region

Russia's Largest Agricultural Landholders

May 2021, '000 ha



TOP-20

11	Ak Bars	354
12	Agrosila	330
13	GAP Resurs	320
14	Dominant Group	320
15	KDV Agroholding	313
16	Cherkizovo	300
17	RostAgro ⁴	298
18	Sucden	270
19	Sibagro ⁵	269
20	AgroTerra	265

TOP-30

21	Pokrovskiy Concern	242
22	Krasny Vostok	238
23	MTS Yershovskaya ⁶	214
24	Yug Rusi	200
25	Yanta Group	197
26	Shchelkovo Agrokhim ⁷	190
27	Svetly Group	184
28	AFG National ⁸	183
29	Amuragrocomplex	170
30	Avgust	166

TOP-40

31	AVG Capital Partners	162
32	AgroGard	155
33	Rusmolco (OLAM)	152
34	Zerno Zhizni (SINCO)	140
35	Izberdey	140
36	Selkhoztekhnika ⁹	136
37	ASB Group	135
38	Agronova-L	130
39	Agropromkomplektatsiya Group	130
40	Altayskaya Prodovolstvennaya Kompaniya ¹⁰	129

TOP-50

41	Kosminvest	127
42	KZK + MK Avida ¹¹	126
43	Doronichi Group	125
44	MAPO	123
45	Komsomolets Breeding Farm	121
46	Ravis Agroholding ¹²	120
47	Khorosheye Delo Agricultural Group	120
48	Agro-Belogorye	116
49	Zerno Zavolzhya	113
50	Progress Agro Group ¹³	111

Lines 51–57

51	Delta-Agro	111
52	Siberian Business Union	110
53	Rubezh Agrofarm	110
54	GelioPaks	108
55	Talina Agroholding	108
56	Solnechnye Produkty	107
57	StavropolAgroSoyuz	102

Line 58 (around 100k ha)

58

~100	Agrico ¹⁴
~100	Agsen Property
~100	APK Vozrozhdeniye ¹⁵
~100	Ariant
~100	Avtotor-Agro
~100	DolgovGroup
~100	MNGSK ¹⁶
~100	Primorye Agroholding
~100	Zarechnoye Group

¹ 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*.

² **Stepp Agroholding** is controlled by *JSFC Sistema*; **RZ Agro** is controlled by *JSFC Sistema* and several members of *Louis Dreyfus* family.

³ **AGROINVEST Group** is a group of companies managed by *Volgo-Don AgroInvest LLC*, controls the land assets of *Agro-Invest*, *VAPK* and *LAPK*.

⁴ **RostAgro** controls the former assets of *RosAgro* in the Penza, Saratov regions and other assets.

⁵ **Sibagro** is a large Siberian agricultural holding focusing on pork production, processing and sales, poultry and egg production. The company acquired several crop production businesses during the past year both in the area of its processing facilities and in the center of Russia (Belgorod region).

⁶ **MTS Yershovskaya LLC** is one of the largest crop production companies of the Saratov region which works in three districts of the region; it also has irrigation projects.

⁷ **Shchelkovo Agrokhim JSC** is one of the major crop protection agents producer (17 % market share in Russia), which also produces seeds, cow embryos and has extensive cropland areas.

⁸ 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.

⁹ **Selkhoztekhnika JSC** is one of the largest crop production companies working of the Saratov region.

¹⁰ **Altayskaya prodovolstvennaya kompaniya** is an Altai Krai company producing crops, processing sunflower seeds, producing and processing meat.



¹¹ The land assets of **Krasnoyarskaya 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.

¹² **Ravis Agroholding** used to be called *Ravis – ptitsefabrika Sosnovskaya*.

¹³ **Progress Agro Group** used to be called *Agroholding Kuban*.

¹⁴ **Agrico Group** is a big agricultural holding managing cropland, pig production factories for 420k pigs, storage facilities for 260k tons of grain and producing vegetables on irrigated land.

¹⁵ **MNGSK**, full name – **JSC MOSTEFTEGAZSTROYKOMPLEKT**, is a multi-profile investment and commerce company whose agricultural unit includes farmland in the Kursk region and two sugar beet factories.

¹⁶ **LLC APK Vozrozhdenie** is a group of crop production companies located in the Stavropol Krai. The beneficiary of the group also owns greenhouse facility Yuzhniy, formerly owned by *Stepp Agroholding*.



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 e-mail 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. BEFL cannot guarantee the accuracy of the information on the size of land portfolios of the participant companies.

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