



Agroholding STEPPE



Sistema's assets in the agricultural sector include Agroholding Steppe and the joint venture RZ Agro. The total area of land under Sistema's management is 247,000 hectares (ha). Sistema's strategic objective in the agricultural sector is to create one of Russia's top five agricultural holdings.

Business description

Agroholding Steppe (a wholly owned subsidiary of Sistema) comprises a number of highly promising agricultural assets. The holding operates in four key segments: field crops, dairy, vegetables and apples. The assets are located in Russia's most favourable regions in terms of climate, crop yields and logistics: the Krasnodar region, the Stavropol region, the Rostov region and the Republic of Karachay-Cherkessia.

Field crop production

Production of wheat, sugar beets, sunflowers and other crops. Annual total harvest is more than 950,000 tonnes. Wheat production is 480,000 tonnes per year.

Key assets: the land with average or high crop yields in the Rostov, Krasnodar and Stavropol regions of Russia.

Field crop production accounts for approximately 70% of Steppe's total export revenue. Export revenue comes from the sale of wheat to Turkey, Iran, Egypt and other markets in Asia and Africa.

Dairy (OJSC Rodina)

Production of high-quality raw milk. Key assets: 4 dairy farms, approximately 9,000 head of cattle. Production output: 35,000 tonnes of milk per year.

OJSC Rodina is one of Russia's most efficient dairy farms in terms of milk yield per cow (more than 10 tonnes per year).

Vegetable production (Yuzhny Agricultural Complex)

Production of tomatoes and cucumbers. Key assets: 144 ha of greenhouses in the Republic of Karachay-Cherkessia. Production output: 43,000 tonnes of vegetables per year.

Yuzhny has introduced a low-volume cultivation technology involving a drip irrigation system and a moistening system enabling microclimate control and fertiliser dosing.

Apple production (Kuban Orchards Group)

Production of apples. Key assets: 630 ha of high-producing orchards (1,771 ha of land in total), Kuban Orchards brand, fruit storage facilities with a total capacity of 21,000 tonnes and storage length of up to 10.5 months. Production output: 18,000 tonnes of apples per year.

RZ Agro Holding (Sistema's stake is 50%) is a major producer of grains and oil-yielding crops in southern Russia with 99,000 ha of land. It is controlled jointly by Sistema and members of the Louis Dreyfus family. It currently comprises six farms grouped into three regional clusters in the Rostov and Stavropol regions.

