

BEFL

Russia's Largest Agricultural Landholders 2017

April 2017

The year 2016 has proved very rewarding for large agricultural holdings in terms of increasing their land portfolio.

The state statistics shows that legal entities have in their ownership an increasing amount of farmland (17.3m ha as of January 01, 2016*, which is almost 1m ha more than the previous year). Considering that the figures in the overview show land assets in control (i.e. owned, leased or used under any other legal right), the

total land portfolio of the Top 5 alone is impressive – 3.249m ha. The total amount of land controlled by all companies in the overview by April 2017 exceeds 12m ha.

In 2017, each company out of the Top 5 controls over half a million hectares of farmland (see the table below).

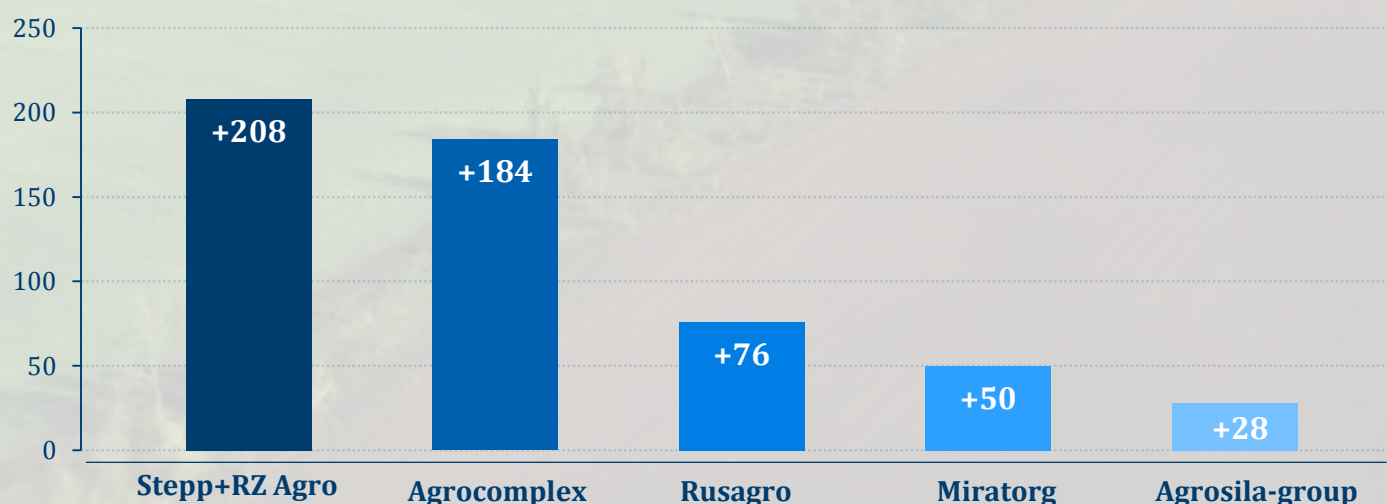
Top 5 Companies in Overview 2017

Ranking in 2015	Ranking in 2016		Land in control in 2015, '000 ha	Land in control 2016, '000 ha
1.	1.	Prodimex+Agrokultura	790	790
3.	2. (+1)	Rusagro	594	670
2.	3. (-1)	Miratorg	594	644
6.	4. (+2)	Agrocomplex	456	640
5.	5.	Ak Bars	505	505

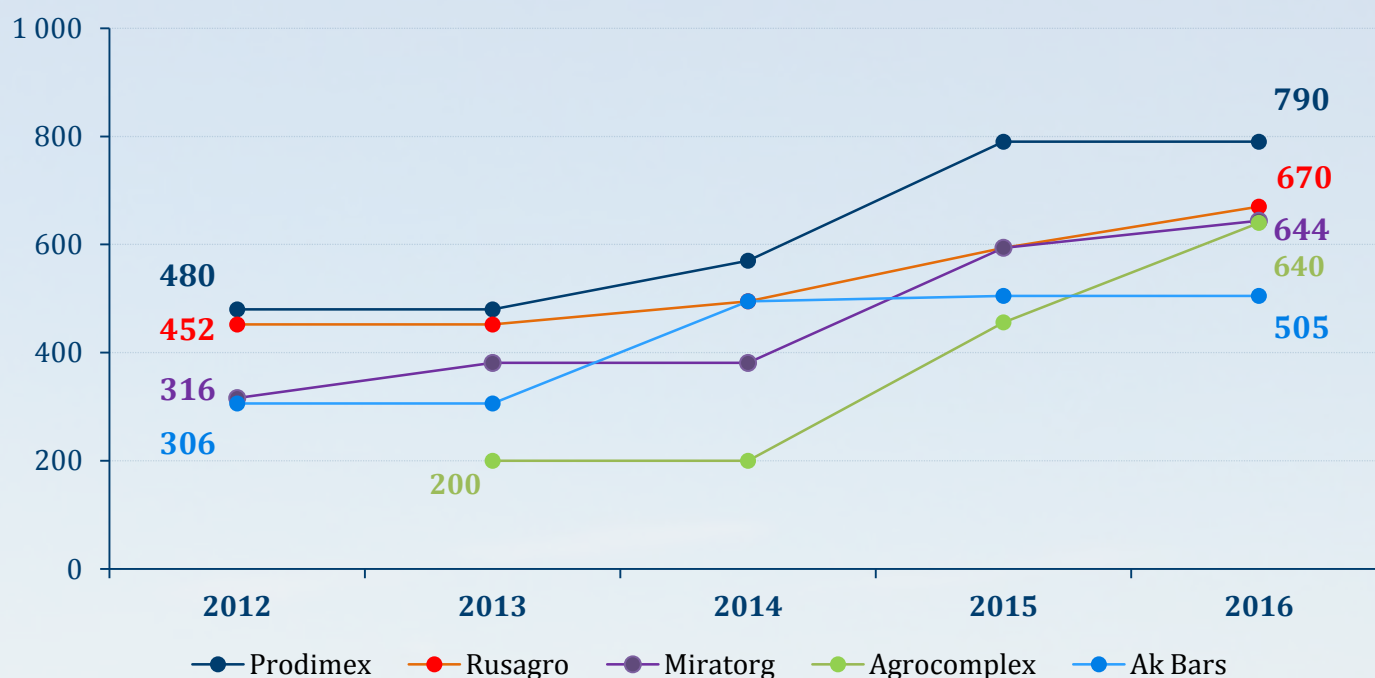
Out of the first five companies in the chart only two – Prodimex and Ak Bars – remained in their places and did not change the size of their land portfolio. Rusagro traded places with Miratorg, and Agrocomplex went up two places due to the large transactions of the previous year, leaving Ivolga-Holding far behind. The latter, in turn, is losing its assets (the company still controls 489k ha in the Orenburg region, the Chelyabinsk region and the Ulyanovsk region).

Speaking of the year-on-year gain in farmland, the undisputed leader is JSFC Sistema (its subsidiary Stepp Agroholding gained over 200k ha in a year). The group, in total with RZ Agro (6.5k ha gain) jointly owned by JSFC Sistema and several members of Louis Dreyfus family, controls 350k ha on the date of the overview. Rated by the gain in land assets over 2016, JSFC Sistema is followed by Agrocomplex, Rusagro, Miratorg and Agrosila-group (see the chart below).

Top 5 Companies by Gain in Controlled Farmland from April 2016 to April 2017, '000 ha



Change in Land Portfolio of Top 5 Companies in Overview 2017, '000 ha



The diagram above shows that the land portfolios of large landholders keeping their leading positions in the rating over several years change rapidly. Miratorg, for instance, has gained 328k ha since 2012, and Agrocomplex needed mere three years to add 440k ha to its land assets.

The list of companies in the overview of Russia's largest landholders grows every year. New

companies, which develop and expand their land assets or decide to make the information on them public, are regularly added to the rating. This year the overview includes 8 new companies (see the table below). The companies occupying the arbitrary 46th place control approximately 100k ha each.

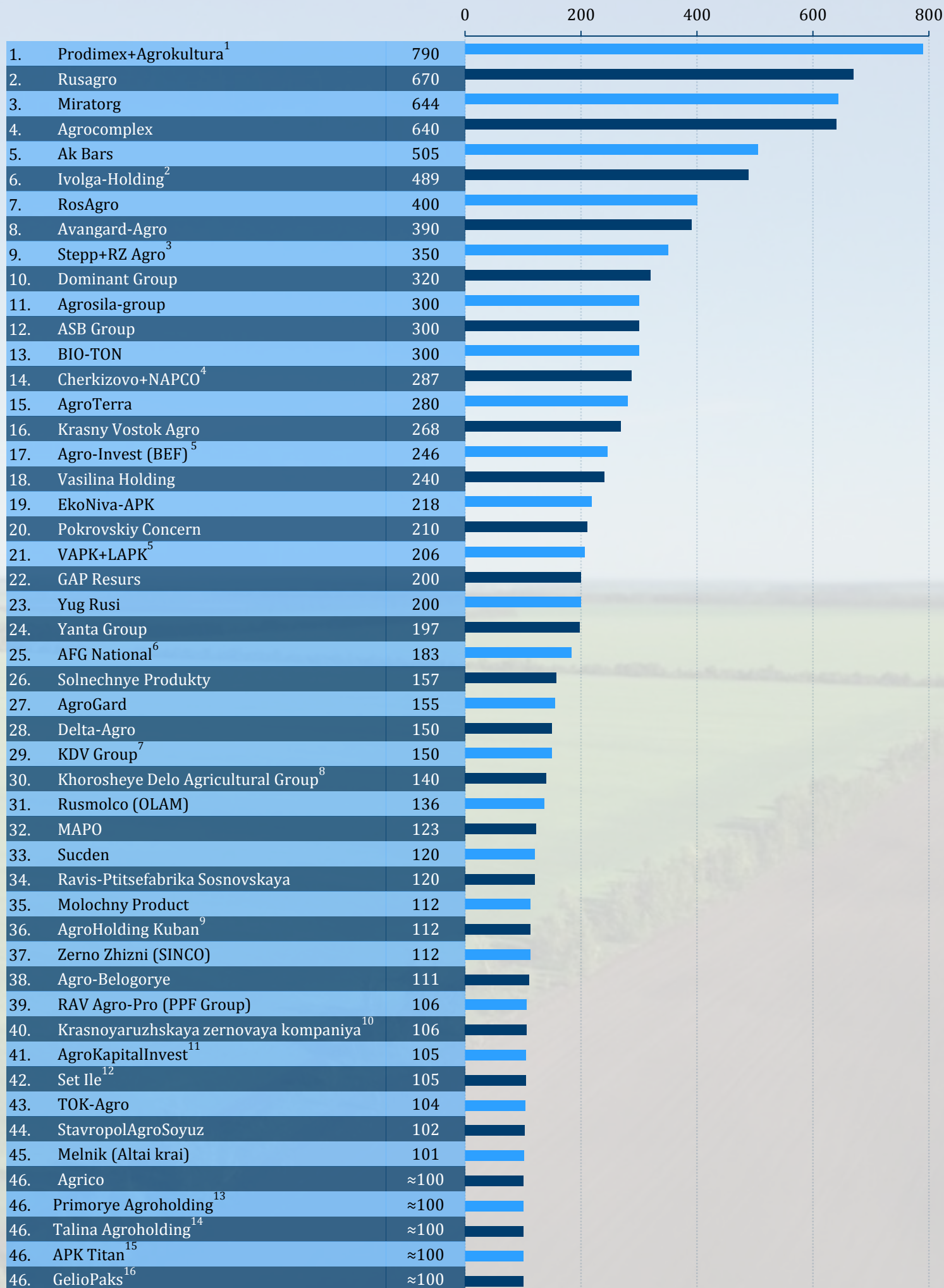
New Companies in Overview 2017

Ranking	Company	Principal Geography of Land Assets
25	AFG National	Krasnodar krai, Nizhny Novgorod, Novgorod and Rostov regions
29	KDV Group	Altai krai, Orel region,
30	Khorosheye Delo Agricultural Group	Republic of Mordovia
41	AgroKapitalInvest	Nizhny Novgorod region, Ulyanovsk region
46	Talina Agroholding	Republic of Mordovia
46	Primorye Agroholding	Primorsky krai
46	APK Titan	Omsk region
46	GelioPaks	Volgograd region

The overview of 2017 shows 50 companies. We remind that the information given in the overview was accessed publicly, based on the opinions of market participants or provided by representatives of the participant companies in response to our information requests.

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 on the last page of this overview.

Russia's Largest Agricultural Landholders, April 2017, '000 ha



Notes

¹The chart shows the total land portfolio of **Prodimex** (600k 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**Ivolga-holding** is losing control of its land assets; a part of the companies controlled by the holding are undergoing liquidation.

³**Stepp Agroholding** is controlled by JSFC Sistema; **RZ Agro** is controlled by JSFC Sistema and several members of Louis Dreyfus family.

⁴**Cherkizovo Group** has recently announced its intention to purchase **NAPCO** (147k ha), but, as the companies are already governed and controlled by the same group of beneficiaries, their land portfolio is added up in the chart.

⁵**VAPK** (152k ha) and **LAPK** (54k ha) are shown together, because they are controlled by one beneficiary. It is notable to mention that the beneficiary of VAPK/LAPK and the Swedish **Black Earth Farming** are at the stage of closing a land purchase transaction. If the transaction is completed successfully, the beneficiary of VAPK/LAPK will have 452k ha of farmland under control and rank among the top 10.

⁶The 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.

⁷**KDV-Group** is a Russian producer of snacks and confectionaries. The main land assets are located in the Altai krai and the Orel region. In 2017,

KDV-Group acquired the major part of the assets owned by **Beliy Fregat Group**.

⁸**Khorosheye Delo Agricultural Group** is a part of **Sfera Group**, has over 20 companies working on the territory of the Republic of Mordovia and the Ulyanovsk region.

⁹**AgroHolding Kuban** is controlled by the diversified industrial group **Basic Element**

¹⁰**Krasnoyaruzhskaya zernovaya kompaniya** is controlled by **Priorskoye Group**.

¹¹**AgroKapitalInvest** is a crop producer in the Nizhny Novgorod and Ulyanovsk regions.

¹²**Set Ile** is a part of **Prosto Moloko Group**, Republic of Tatarstan.

¹³**Primorye Agroholding** works in the Primorye krai and the Khabarovsk krai; the main activities include crop and poultry production.

¹⁴**Talina Agroholding** is a holding from the Republic of Mordovia which unites crop producing farms, animal feed producing companies, pig farms, meat products factories. The products are distributed under **Atyashevo** brand.

¹⁵**APK Titan** is a part of **Titan Group**; includes 9 subdivisions in seven districts of the Omsk region.

¹⁶**GelioPaks Agroholding** is a Volgograd crop producing holding.

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 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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Contact us:

**Trubnaya Street, 12
Moscow, 107045 Russia**

**Tel/Fax: +7 (495) 649-8155
E-mail: reception@befl.ru**

Person to contact: Inessa Valueva
E-mail: valueva@befl.ru
Tel: +7 (910) 309-0025

**Oktyabrskaya Street, 68a
Orel, 302040 Russia**

**Tel/Fax: +7 (4862) 422-224
E-mail: reception@befl.ru
www.befl.ru**