



BEFL

Russia's Largest Agricultural Landholders 2023

August 2023

M&A Trends and Land Market:

Looking Back at Past Year

The M&A market remained vigorous, despite the receding profit margin in crop production in the second half of 2022 and the first half of 2023, as there was a significant number of offers from middle-size players, due to which large agricultural holdings were able to expand their land portfolios.

While the small farms were leaving the market, a number of landmark acquisitions of large agricultural holdings were completed, for instance, RostAgro Group (240kha, purchased by AEON Group), Yug Rusi (200kha, purchased by the affiliated structures of Agrocomplex), «AFG National» (gaining rights to liabilities with the purpose of changing ownership).

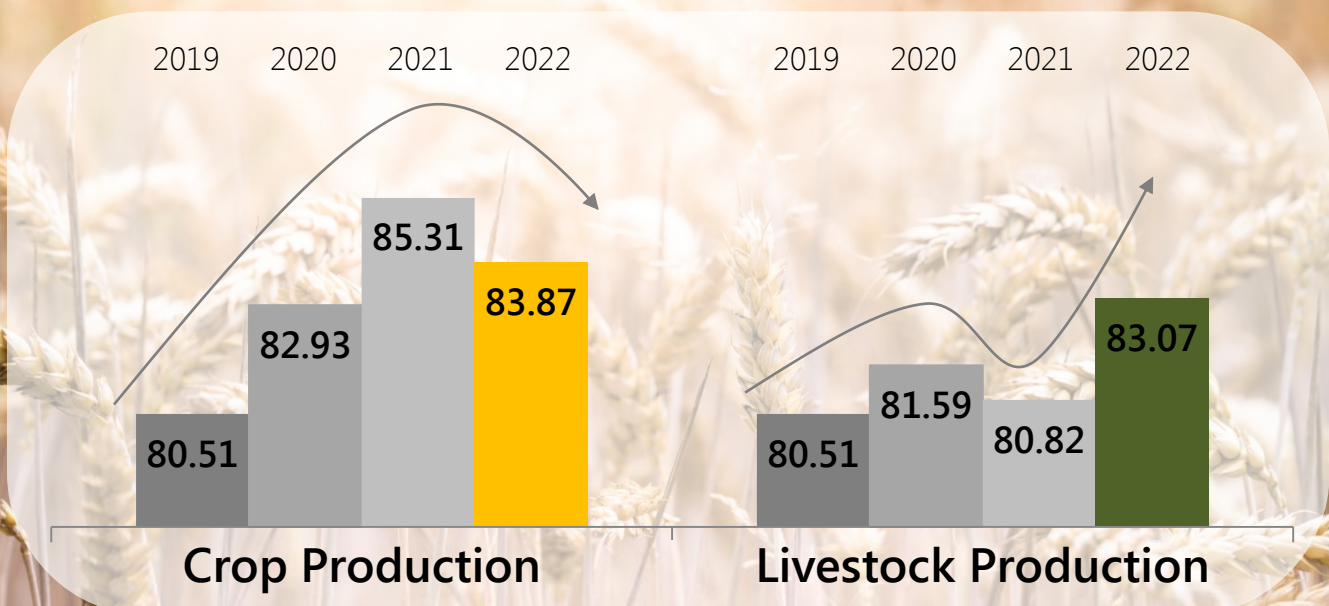
There has been a tendency for crop companies to enter the livestock industry in order to diversify their activities and create alternatives for the use of grain with an added production value.

According to the Federal State Statistics Service (Rosstat), after three years of a gradual rise, the share of profitable companies in the crop sector dropped from 85.3 % to 83.9 % in 2022. In contrast, the share of such companies in the livestock sector went up from 80.8% in 2021 to 83.1% in 2022 (see the figure below).

The financial results of profitable companies in the crop and livestock production in 2022 decreased by 6% as compared to last year; only the Northwestern, Volga, Ural and Southern Federal Districts showed positive results (see the figure on page 3).

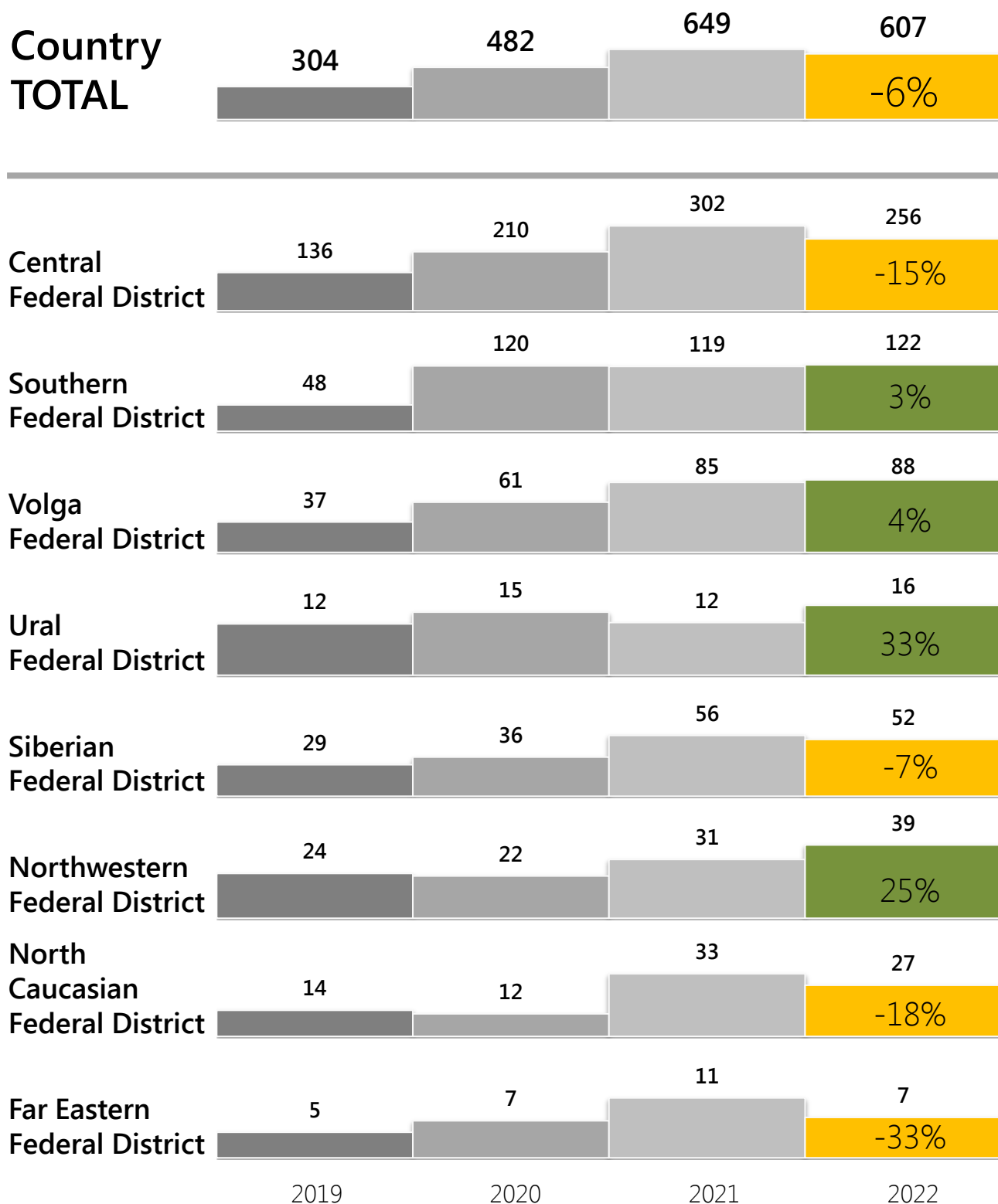
Last year saw the process of the industry restructuring, the change of asset owners, the consolidation of market leaders and the exit from the market of small and inefficient companies.

Share of profitable Russian companies engaged in crop and livestock production in 2019–2022, %



Data provided by: Rosstat (the Federal State Statistic Service)

Financial result of profitable companies engaged in crop and livestock production in 2019–2022, bln RUB



According to BEFL, in 2022 the value of agricultural land with a significant part of high-quality arable land increased, especially in the central Russia. In 2023, the prices leveled off. At the same time, high dynamics of the land market over the first six months of 2023 shows that agricultural land is still regarded as an attractive investment target.

Besides the obvious consolidation of agricultural land by middle and large market players, legal entities continue the acquisition of land, expanding the share of freehold.

The Federal Service for State Registration, Cadastre and Cartography (Rosreestr) states

that as of January 01, 2023 legal entities owned 23.6m ha, which is equal to 6.2 % of the total area of agricultural land in Russia, by contrast to 2012, when the area of land in freehold was less by 9.6m ha (see the figure below).

The share of agricultural land owned by legal entities in Russia is increasing annually by almost 1m ha.

At the same time, agricultural companies are using (by way of freehold, leasehold and other titles) over half of the land owned privately (by legal entities and individuals), – 75.9m ha out of 127.6m ha.

Trend of agricultural land in freehold owned by legal entities (mln ha) and the share of such land in the total area of agricultural land in Russia (%)



Comments to Overview 2023

Total number
of companies

73

+2

against 2022

Total land
portfolio, mln ha

17.4

+4%

In 2023, the total land portfolio of 73 companies participating in the ranking amounted to 17.4m ha, which is 619k ha more than last year.

There are six newcomers in the Overview, the total land portfolio of which amounts to 790kha.

4 companies left the ranking:

- RostAgro (sold at auction to AEON Agro, which replaced it in the current ranking);
- Yug Rusi (land assets were sold to

the affiliates of Agrocomplex last year);

- Russian Agrarian Group (land assets decreased to less than 90k ha);
- APK Vozrozhdeniye (a part of the assets was sold to various buyers).

The total land portfolio of the TOP-5 amounts to 4.4m ha (25 % of the total land bank of the ranking).

Since 2014, the number of the companies in the Overview grew from 30 to 73 along with the gain in the land area by over 10m ha.

Gain over 10 years

+10m ha

+43 companies

7.6m ha

30 companies

17.4m ha

73 companies

2014

2023

Over the last 10 years, the land volume of the leaders in the ranking has also changed dynamically and significantly (see the figure below).

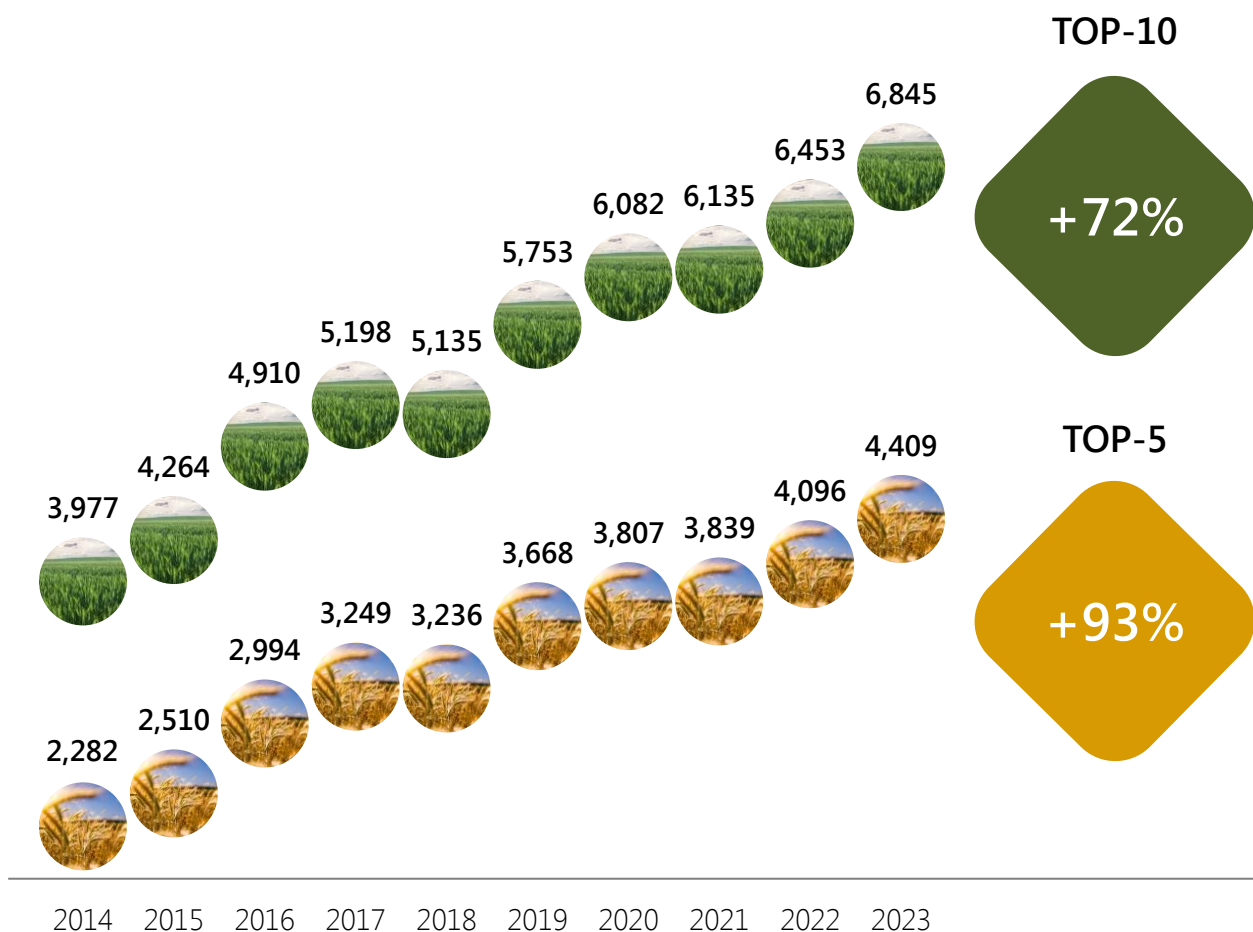
The total land portfolio of the TOP-10 has increased by 72 % (+2.9m ha), and the land portfolio of the TOP-5 has increased by 93 % (+2.1m ha).

At the same time, the share of the first five

companies in the TOP-10 has expanded over the same period of time. In 2014 it amounted to 57 %, and in 2023 it increased to 64 %.

In fact, the TOP-10, where Prodimex, Rusagro, Miratorg, Agrocomplex and Avangard-Agro have been regular leaders since 2014, represent a third of the increase in the land portfolio over the 10 years.

Evolution of the land area controlled by the TOP-5 and TOP-10 of the ranking from 2014 to 2023, '000 ha



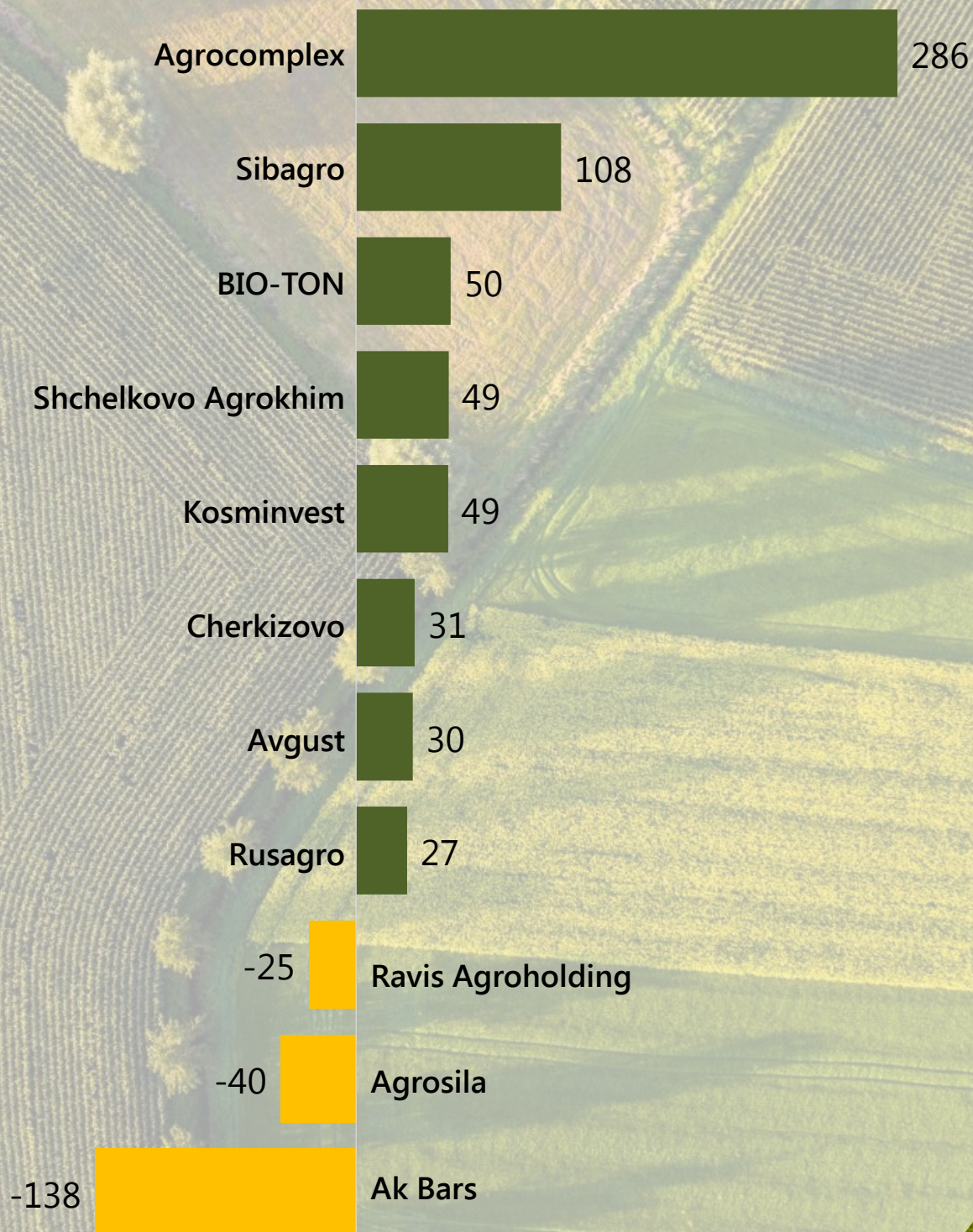
This year significant changes have occurred in the land portfolios of many participants in the ranking, the most notable of them are: Agrocomplex (+286k ha), Sibagro (+108k ha), BIO-TON (+50k ha) (see the graph on page 7).

The land portfolios of Ak Bars (-138k ha) and Agrosila (-40k ha) from Tatarstan have noticeably shrunk; Ravis Agroholding (-25k ha)

is also among those which reduced their land assets.

In general, according to the ranking, the balance of increase and decrease in land portfolios of the participating companies (without taking into account the leavers and the new comers) remains positive at 413k ha.

Top Companies by Gain / Loss in Controlled Farmland from May 2022 to May 2023, '000 ha



Newcomers in 2023

Ranking		Principal Geography of Farmland Assets
22	AEON Agro	Penza region, Saratov region
26	Chistopolye Agroholding	Republic of Tatarstan
52	Khuzangayevskoye	Republic of Tatarstan
59	Damate Group	Penza region, Tyumen region
62	Grainrus Group	Kursk region, Rostov region, Ivanovo region, Yaroslavl region
63	Nazarovskoye	Krasnoyarsk Krai

Overview 2023 includes six new companies. Two of them have made it into the TOP-30 right away.

AEON Agro is part of AEON Corporation, an investment company that develops projects in various areas, including transport, construction, property management, aviation industry and agriculture. The company bought the assets of RostAgro Group by bidding.

Chistopolye Agroholding is a young agricultural group established about 2 years ago, which has already become one of the leaders in agriculture in the Republic of Tatarstan. In addition to crop production, the company produces vegetables and raw milk.

The third company, Khuzangayevskoye, is also a relatively young agricultural holding from the Republic of Tatarstan engaged in crop

production and milk production, as well as flour and cereal production.

Damate Group is a well-known group in the poultry market, the largest producer of turkey and duck in Russia. Over the past year, the company increased its land portfolio from 88k ha to 108k ha and took the 59th place in the ranking.


Another well-known player in the agricultural market is Grainrus Group, whose main business areas are crop production, malt production and grain trading.

The list of new companies in the Overview is rounded out by Nazarovskoye, a diversified holding company from the Krasnoyarsk Krai engaged in crop production, pig breeding, meat and dairy cattle breeding, meat and milk processing.

Russia's Largest

Agricultural Landholders

as of May 2023, '000 ha



1	Miratorg	1 105
2	Agrocomplex	1 104
3	Prodimex	900
4	Rusagro	670
5	EkoNiva Group	630
6	Stepp+ RZ Agro ¹	578
7	BIO-TON	550
8	AGROINVEST Group	450
9	Avangard-Agro	447
10	Sibagro	411

TOP-20

11	Vasilina	380
12	GAP Resurs	340
13	KDV Agroholding	337
14	Cherkizovo	331
15	Dominant Group	320
16	Agrosila	290
17	Sucden	270
18	AgroTerra	265
19	Avgust	260
20	Kosminvest	258

TOP-30

21	Pokrovskiy Concern	242
22	AEON Agro ²	240
23	Shchelkovo Agrokhim	239
24	Krasny Vostok Agroholding	230
25	MTS Yershovskaya	226
26	Chistopolye Agroholding ³	221
27	Ak Bars	216
28	AFG National	200
29	Yanta Group	197
30	Komsomolets Breeding Farm	192



TOP-40

31	Svetly Group	184
32	Amuragrocomplex	180
33	Tavros Group	163
34	AgroGard	156
35	Rusmolco (OLAM)	152
36	Talina Agroholding	150
37	Agrodinamika Group	144
38	ARSIB Group	144
39	MTS Tsentralnaya	140
40	Zerno Zhizni (SINCO)	140

TOP-50

41	Izberdey	140
42	Khorosheye Delo Agricultural Group	140
43	Selkhoztekhnika	136
44	ASB Group	135
45	Progress Agro Group	135
46	Agropromkomplektatsiya Group	130
47	A7 Agro	130
48	Altayskaya Prodovolstvennaya Kompaniya	129
49	Doronichi Group	128
50	KZK + MK Avida ⁴	126



TOP-60

51	MAPO	123
52	Khuzangayevskoye ⁵	120
53	Delta-Agro	111
54	Zerno Zavolzhya	110
55	Siberian Business Union	110
56	Rubezh Agrofarm	110
57	Urozhay	110
58	GelioPaks	108
59	Damate Group ⁶	108
60	Agro-Belogorye	105
61	StavropolAgroSoyuz	102
62	Grainrus Group ⁷	101



Line 63 (around 100k ha)

63

~100	Agrico
~100	Agsen Property
~100	Ariant
~100	Avtotor-Agro
~100	DolgovGroup
~100	Kits Agrofirma
~100	MNGSK
~100	Nazarovskoye ⁸
~100	Ravis Agrohholding
~100	Yubileiny Agrohholding
~100	Zarechnoye Group

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 **AEON Agro** is part of AEON Corporation, an investment company that develops projects in various areas, including transport, construction, property management, aviation industry and agriculture. The company owns the former assets of **RostAgro Group**.

³ **Chistopolye Agroholding** was established in 2020 and is one of the largest agricultural holdings in the Republic of Tatarstan. In addition to crop production, the agricultural holding produces vegetables and raw milk, and plans to process oilseeds.

⁴ 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.

⁵ **Khuzangaevskoye LLC** is engaged in crop and milk production, as well as flour and cereal production, one of the largest agricultural companies in the Republic of Tatarstan.

⁶ **Damate Group** occupies a leading position in the production of turkey, duck and lamb, develops dairy farming, milk processing. The group's companies are located in the Penza, Tyumen, Rostov regions, in the Stavropol Krai and the Karachay-Cherkess Republic.

⁷ **Grainrus Group** is an agro-industrial holding whose main business areas are the production of grain, malt, as well as grain trading. The company provides a full cycle from the cultivation of elite seeds to the production of malt from its own barley and rye.

⁸ **CJSC Nazarovskoye** is a diversified holding in the Krasnoyarsk Krai engaged in crop production, pig breeding, meat and dairy cattle breeding, meat and milk processing.



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

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