

Ushering in the New Year

with **EkoNiva**

The Russian government started to pay more attention to Russian farmers in 2006. As a result this sector showed a visible positive shift. And although it is premature to talk about grand achievements it should be mentioned that the domestic agro-industrial complex made a firm step from "survival" towards the direction of developing socially-oriented, civilized agribusinesses.

This was a year of rapid growth for *EkoNiva*. The sales volume (in terms of equipment) grew dramatically. The network of branch offices also expanded considerably (Vladimir, Kaluga, Ryazan, Kostroma, and Smolensk). New after-sales service centres were established in Ryazan, Kaluga, Kursk, and Belgorod Regions. Service centres in the Voronezh and Novosibirsk Regions, which gained good reputations long ago, expanded via large scale construction projects. The company also became the largest John Deere dealer in Europe. Now the area "controlled" by *EkoNiva* includes four consolidated regions: the so called "Moscow ring", Chernozemye (Black Earth belt region), Novosibirsk, and Kirov. There was a fear that the quality of services

may suffer from such rapid development but luckily this did not happen. However, there is always room for improvement. The company has plans to implement an automated spare parts ordering system.

We are happy to declare that the success of *EkoNiva's* farming projects are the result of systemic, well thought-out efforts. There are dramatic changes in upgrading farm equipment of agricultural enterprises, planted acreage grows, and new varieties are introduced for production.

Throughout 2006 important business developments included the construction and reconstruction of livestock complexes in Voronezh and Kaluga Regions as a part of the "Development of Agro-Industrial Complex"

National Project. The President of *EkoNiva* Stefan Duerr said:

"It is good to receive money from the state but it is even more important that society and business, including the banking sector, start paying attention to agriculture. This raises the image of the agricultural sector to a higher level. Thus, new people and new capital will be attracted and the sector will develop."

The *EkoNiva Company* wishes its friends, partners and clients a happy and prosperous New Year and believes that this positive shift will help establish economic and social stability in the agricultural sector throughout 2007. We wish you success in your business to extend development through the rural regions of Russia.

Announcements

January 18, 2007 – Seminar for farm managers and agricultural experts focussing on the study of no-till farming practice

Organizer: *EkoNivaSibir*, Vaederstad, A-Ya Plyus
Location: *EkoNivaSibir* service centre, Novosibirsk

January 18, 2007. Seminar about modern crop production practices for agricultural experts in the Kursk Region.

Organizers: *EkoNiva-Semena, AgroSentr-Kursk*
Location: Meshcherskiye Dvory farm, Kursk Region

January 2007. Training of *RusAgro-Invest* farm machinery operators and experts

Organizer: *EkoNiva-Chernozemye*
Location: *RusAgro-Invest*

January 2007. Seminar: "Cultivation of Rapeseed in Various Climatic Conditions, Production of Forage Crops"

Organizers: *EkoNiva-Tekhnika, EkoNiva-Semena*
Location: Zakharovo village, Moscow Region

February 1, 2007 – Seminar for farm managers and agricultural experts focussing on the study of intensive soil cultivation using foreign equipment attached to domestically made tractors.

Organizers: *EkoNivaSibir, Kverneland, Lemken*
Location: *EkoNivaSibir* service centre, Novosibirsk

February 15, 2007 – Seminar for chief agronomists and agricultural experts focussing on the specifics of European varieties.

Organizer: *EkoNivaSibir, EkoNiva-Semena*
Location: *EkoNivaSibir* service centre, Novosibirsk

February 2007. Seminar focussing on no-till soil treatment for agricultural experts in the Tula Region.

Organizers: *EkoNiva-Tekhnika, EkoNiva-Semena*, Department of Agriculture of the Tula Region

Location: Tula

January-February 2007. Training of chief engineers and agricultural experts focussing on the use and alignment of farm machinery attachments and hitches

Organizers: *EkoNiva-Tekhnika*
Location: Zakharovo village, Moscow Region

March 1, 2007 – Training seminar for farm managers and agricultural experts focussing on the study of cutting edge technologies from John Deere. Satellite navigation as a precision farming tool.

Organizer: *EkoNivaSibir, John Deere*
Location: *EkoNivaSibir* service centre, Novosibirsk

March 2007. Express Field Day for agricultural experts from central regions. Topic: overwintering of winter crops, preparations for spring planting

Organizers: *EkoNivaSemena, Zashchitnoye, AgroSentrKursk*
Location: Zashchitnoye village, Kursk Region

February 10-11, 2007, Moscow Region

FOOTBALL CHAMPIONSHIP

FINALS

Tournament organizers

Russian agricultural enterprises amateur teams

EKO NI VA
ЭКО НИ ВА



The main prize is
a **John Deere 6920 tractor**



Events

Trips organized for *EkoNiva* clients to go to Europe have already become a tradition. This October the John Deere Corporation invited Russian agribusinesses cooperating with *EkoNiva* to the USA to learn about the American agricultural industry.

Svetlana VEBER



Vladimir Maryin, the Chief Engineer at Oktyabrsky (October) Breeding Farm, Kumensky District, Kirov Region:

- We were especially interested in visiting the factory where all types of John Deere engines were made. After that you realize how the quality of their products is so high. Production at this factory is automated and is under very strict control. Each engine assembled goes through rigorous tests to fulfil all regulations.

The clients visited the factories that manufacture John Deere equipment to learn about its largest dealer, RDO. The visit also included a tour around various agricultural enterprises and farms.

The clients managed to see several States during the 10-day visit: Illinois, Iowa, Minnesota, North Dakota, and Oregon. This visit changed the Russian farmers' preconceptions about America and its agricultural sector. It also helped to dispel existing myths and stereotypes about the USA. According to the President of *EkoNiva* Group of Companies "this trip really opened up our



Our people in the USA

eyes."

The visit started with a tour of a John Deere factory which manufactured seed equipment. Certain parts of the tour were especially memorable: the visit to the company's HQ in Waterloo and the tour of the museum where one could see all models of tractors and attachments manufactured by John Deere since they started business. All the equipment is still in good working condition. The clients also visited the engine factory.

The Russian farmers were especially interested in caterpillar tractors and self-propelled sprayers. Such equipment cannot be bought in Russia. However, there is demand for such equipment and next year *EkoNiva* will be launching this equipment onto the Russian market.

As far as agricultural production in the USA is concerned, every client was impressed by the scale of production. Before visiting Oregon it was hard to imagine a farm with 80,000 cattle and a dairy herd of 21,000. To milk the cows twice per day it takes 20 hours. And the surrounding area is rather like the Kazakhstan

steppes, where only thorny bushes grow. Even in such conditions, however, Americans

Production is maintained at a level where maximum profitability levels are guaranteed. Crop production involves only a small selection like spring wheat, soybeans, and maize. There are no winter crops to speak of. Moreover, the government programme for ethanol production rapidly changed the crop rotation. Less wheat is being produced and maize production is increasing.

The mindset of an ordinary American farmer is totally different from our farmers'. Our collective farmer thinks on a

farm's scale or in the best case scenario on a district scale. The US farmer is working on the world market and thinks accordingly. Interestingly, the price for crops is the same as at home. The price for petrol (fuel) is slightly lower. Moreover, nobody is even mentioning the issue of price disparity because productivity is very high and maintains economically feasible farming even at existing prices. Representatives of Russian agribusinesses came to the following conclusion: it is necessary to cut costs, upgrade equipment and increase productivity.

The Americans' approach to business was also impressive. In contrast to Russia and Europe, nobody is aiming for the highest yield. The main aim in America is the highest income coupled with minimum expenses. Where spring wheat yield is 4 t/ha, nobody is trying to amaze the world and produce 8 t/ha.



"Golden Autumn"

EkoNiva's participation in "Golden Autumn", Russia's main agricultural exhibition, is more than just a display of cutting-edge farm equipment and new seed varieties. This agricultural forum is first and foremost a golden opportunity to show farmers potential areas for development which can help them increase their efficiency.

Svetlana VEBER



Focus on finding the best solutions

EkoNiva's display comprised three stalls. A comb harrow (Striegel) produced by Einbock, Vaederstad's TopDown and the Rapid RDA 600C, last season's top seller, were on display in the "Selkhoztekhnika" (Farm Machinery) pavilion. People who have already tested this seeder believe that there is nothing that can match it. For this season, Vaederstad has another new item lined up for Russian farmers – the Seed Hawk. According to the company's regional

sales director, Mr. Anders Ljung, this new seeder is ideally suited to dry regions where the soil should be disturbed as little as possible so as to minimise moisture loss. This seeder offers greater coverage of up to 20 metres and increased bin volume. This seeder will be particularly useful for farming operations with large areas to plant and short planting seasons.

"We will put great effort into training workers, resolving spare parts issues and ensuring maintenance support," Mr. Ljung said.

This year *EkoNiva* displayed equipment produced by the

the best solutions



Canadian company Schulte for the first time. Its 6-metre rotary mulcher has excellent stalk cutting and shredding capabilities.

However, selling equipment is just the beginning for *EkoNiva*.

"It is important to us that agricultural producers who buy equipment from us get the most out of them," said the president of the *EkoNiva* group, Mr. Stefan Duerr. "That's why we offer our customers advanced farming technologies and seed varieties and provide consulting services, field days and workshops so that agricultural

workers can have the latest agricultural innovations at their disposal."

This position is shared by *EkoNiva's* partners. The

their particular circumstances, needs and strategic goals.

As *EkoNiva's* seed producers pointed out, visitors to this year's exhibition were particularly interested in forage seeds. Sadly, during the 1990s production of seeds of these crops in Russia was cut heavily, which has meant that demand now has to be met by imports. However, from next year onwards *EkoNiva* will begin producing its own seeds for annual and perennial grasses like rye, fescue and vetch.

A further encouraging trend is being observed among mass consumers of seed:

"Agricultural producers have become pickier with regard to seed quality," says Yuri Vasyukov, the Director General of *EkoNivaAgro*, "and *EkoNiva* is prepared for this. Farmers have finally realised what we have been telling them for a long time: only high-quality seed will allow them to expand their crop production efficiently and achieve good financial results."



general manager of John Deere's Russian operations, Mr. Sydney Bardwell, said that a customer wants more than just a tractor or a plough; what he really needs is a ready-made solution to the farming challenges he faces.

EkoNiva can now offer farmers optimal solutions which cater to

Lawmaking

Re-execution of land share agreements will be extended



Consultation provided by Olga Romanova, Director General of the Ratum Legal and Consulting Group

Deputies of the State Duma of the Russian Federation are preparing New Year gifts for farmers. Of course, these are given for legislative reasons.

The Chairman of the State Duma Committee on Agrarian Issues G.V. Kulik and the deputies of the State Duma, A.N. Khairullin, A.M. Sysoyev, Ye.Ye. Blokhin, V.P. Voitenko, V.A. Dubovik, K.Z. Davletova, V.I. Smolensky, submitted a legislative initiative to amend Article 16 of the

Federal Law on "Transfer of Agricultural Lands".

I recall that this Article gives a timescale (January 27, 2007) for bringing the land share leasing agreements in line with current legislation. That is any agreement concluded before the Federal Law on "Transfer of Agricultural Lands" became effective.

At present Russian land share leasing agreements cover an area of 14.3 million hectares which

accounts for 12.8% of overall land shares available. The deputies therefore decided to extend the term for the re-execution of land share leasing agreements for another two years (until January 27, 2009), in order that citizens and farming organizations would not lose their rights on land shares.

This draft law was adopted on the first reading on November 24, 2006. Taking into account the fact that in the event of adoption of amendments to Article 16 of the Federal Law on "Transfer of Agricultural Lands" no additional funds from the Federal Budget will be necessary, this draft law may be passed until January 27, 2007.

From our own experience

The positive shift in the development of the Agro-Industrial Complex in 2006 and its raising of standards, due to capital investment into innovative projects, has had its impact on the crop production sector. An increased level of interest in modern equipment and technology brought about the need for new varieties with a higher yield.

Yuri VASYUKOV, Roman RATNIKOV



New agriculture needs

new varieties!

The seed market in Russia currently offers a limited number of varieties which are suitable for use in conjunction with modern technology. Yield and profitability of the majority of locally selected varieties lag behind current production and market requirements.

EkoNiva, as a company in the seed market, is continuously working on increasing the varieties available, which meet the latest market and crop production requirements.

Throughout 2006-2007 the company submitted more than 10 new varieties for State Variety Testing. There are also around 30 varieties originating from Western Europe and America which are being pre-tested.

The pre-testing stage covered the various soil and climatic conditions of Russia and were carried out by the state and independent bodies. The results pointed to a number of features in certain varieties which are extremely important for further evaluation of their agricultural use.

The new variety of winter wheat called *Actor* outperformed frequently used varieties in the Central Chernozem and North-Caucasus Regions in terms of frost-resistance. Stavropol Territory had the highest yield of this variety.



One of the first Western European varieties of winter barley (called *Cinderella*) was highly frost-resistant. This was tested in the North-Caucasus and outperforming standard varieties such as *Kozyr*, *Mikhailo*, *Rostovsky-55* by 0.1-0.5. Yield exceeded standard varieties by 0.2-0.6 t/ha.

New spring barley varieties called *Genova*, *Isotta*, and *Madlen* were tested in the Central Chernozem Region, the Republic of Mordovia and the Moscow Region. The tests revealed some essential differences both in terms of morpho-biological and production features versus commonly used varieties.

Varieties such as *Genova*

and *Madlen* showed considerable yield increase versus standard varieties like *Scarlet* and *Gonar* on very fertile soils. Yield performance showed 7.9 and 8.4 t/ha respectively (in the Lipetsk Region).

The *Isotta* variety showed better yields when cultivated on moderate fertile soils. All of the three above mentioned barley varieties showed high lodging resistance and showed no significant difference in terms of growing season duration compared with standard varieties.

At present these varieties are being tested for malt qualities by state owned laboratories across the country and large breweries.

A variety of pea seeds called *Rocket* outperformed standard varieties like *Truzhenik*, *Olovchanin*, *Talovets-65* and *Lgovsky-288* during its first year of testing in Russia. Yield increased by 0.15-0.8 t/ha and the best results were registered in the Orel Region (4.1 t/ha).

The Russian market lacks oat varieties which can be processed into meal and flakes. This was the reason behind testing a new Western European variety called *Ivory* which has the required features. Pre-testing was carried out in the Kursk Region and the results revealed that this variety is highly adaptable to the soil and climatic conditions of the Central Chernozem Region, and has a high grain yield potential (up to 6 t/ha). It is also resistant to drought.

There is now high demand for spring rape seeds caused by changes in the fuel and energy sector. The aim is to increase oil production in this crop. The new variety called *Ability*, tested by State laboratories revealed a high seed yielding capacity (3.7 t/ha) in the first year and had substantial advantages compared with standard varieties in terms of oil content.

OPTIMA solution from Kverneland

Optima – is a universal precision drill for beet (both pelleted and unpelleted), maize, sunflower, cotton, soybeans and other similar crops (seed size 3–10 mm). It is designed for conventional planting but with special attachments it can also do mulch and direct planting. It can be equipped with a special unit allowing simultaneous mineral fertilizer application. The working width has the following options: 3.0, 4.0, 4.5, 6.0, 6.1, or 9.3 m.

Nikita SHILOV



The design of this drill uses modular concept. This makes changing of sowing units, coulters and press wheels easy. The wheels of this planter are located in front of sowing units allowing to change a row width easily from 30 cm up to 80 cm. The sowing units are driven from a central drive system working via the idler wheels. The drive unit is mounted externally on the side of the

machine. The sprockets of the gearbox are readily accessible or the optional lever change gearbox can be operated with the utmost ease. Used in conjunction with the gearbox, one standard seed disc can produce 40 different sowing distances in the row. As many as 100 different sowing distances between 2 and 35 cm are possible using additional seed discs.

The seed disc rotates together with the vacuum chamber, which

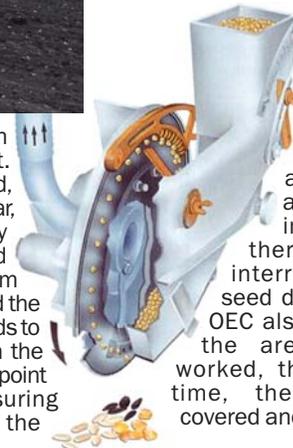
is connected to the suction fan via a hollow shaft. Since no seals are required, there is no friction or wear, which could adversely affect accuracy of seed placement. A vacuum interrupter located behind the seed disc causes the seeds to detach themselves from the disc at a precisely defined point of discharge, thus ensuring accurate placement of the

Technical inspection

seed in the furrow, even at relatively high forward speeds.

The toothed upper selector isolates the seeds one by one. It can be infinitely adjusted to the actual size of seed by means of the graduated scale. The lower selector centralizes and gently removes any surplus seeds and/or entrained foreign matter. An inspection window permits visual monitoring of the seed selection process.

If necessary the drill can be equipped with Opto Electronic Control (OEC). OEC allows constant monitoring of seeding operation from the tractor cabin. The OEC counts the seeds as



they are discharged from the drill and triggers an audible and visual alarm immediately

there is an interruption in seed delivery. The OEC also indicates the area already worked, the working time, the distance covered and the speed.

Well thought-out from front to back: detailed solutions from Grimme

“There is nothing that cannot be improved!” – From this statement the new SE 75/85–55 was developed by designers of Grimme. Nowadays it is the most powerful single row harvester in its class.

Nikita SHILOV



Among other things the machine is now equipped with a larger bunker with a capacity of 5.8 tonnes as well as the

of the potato grower who is looking for a machine that fits between the existing single row and two row machines, but with an



latest Grimme digital technology. This machine matches the requirements

attractive balance of price and output.

Equipped with a number of further developments, the new machine has already proved itself throughout the 2006 season. As well as the 75 cm intake it is also possible to get the machine with an 85 cm wide intake for more output.

Furthermore, to allow even more gentle transportation of the crop the drop heights from the 1st to the 2nd web and on to the 1st hedgehog-web have been reduced. The larger separators enable higher output from the new single row harvester and ensure a clean crop. Another advantage: levelling is standard and ensures an even sieving on hillside locations and more comfortable working on the picking table. As an option an 85 cm (in lieu of 76.5 cm) wide picking table is available. The option of a hydraulically lowering bunker head ensures a more gentle crop flow from the bunker to the trailer.

For the first time on this class of machine, the digital operator terminal is supplied as standard to control all basic machine functions from the tractor cab. That means not only additional operator convenience, but also increased reliability. In addition all operational functions of the machine can be conveniently set up and monitored from the tractor cab.

Joint projects

On November 3 a meeting of managers and consultants of German-Russian agricultural projects was held at the German Embassy. It was also attended by representatives of the State Duma and Federation Council of Russia, the Ministry of Agriculture of the Russian Federation and the German Federal Ministry for Food, Agriculture and Consumer Protection (BMELV), which are overseeing the implementation of the joint projects.



Stefan Duerr (left), Guenther Beger

Strategic partnership

Cooperation between Russia and Germany on agricultural matters began in 1993. The first joint "Transform" programme, involved consultation of the agricultural committees of the State Duma and the Federation Council on legal issues concerning the agro-industrial complex.

"At that time the relationships between the executive and legislative branches of parliament in Russia were quite complex, and agriculture was only just beginning to adapt to market conditions," explains the project manager and president of the *EkoNiva* group, Mr. Stefan Duerr. "In Germany you could still see the aftermath of

the transformations which occurred after reunification. Consultation was fraught with difficulties. Constructive cooperation began in 2000. In drafting laws, the deputies of the State Duma took into account the experiences of Germany and EU member states with regard to agricultural reforms. They developed sound, effective laws which laid the foundations for the efficient development of the agricultural sector.

At the same time, new projects relating to such crucial issues as the education and

further training of experts in the agro-industrial complex, consumer protection, livestock rearing and rural development were initiated. Currently there are seven joint German-Russian projects underway. They are being coordinated by the "German-Russian Agricultural and Political Dialogue" Project, which is a successor to the "Transform"



programme.

At the meeting, the participants discussed Russian agricultural policy. **Alexander Fomin, an advisor to the Minister of Agriculture and chairman of the State Duma's council of experts on the agricultural markets** praised German-Russian cooperation in implementing the "Developing the Agro-Industrial Complex" National Project entitled and, in particular, the "Accelerated Development of Livestock Rearing" programme.

Particular attention was paid to the issue of education and

improving the skills of agricultural experts. There are several joint projects devoted to this issue.

"Deliveries of German equipment, advanced seeds and pedigree livestock will not solve all our problems," said Mr. **Alexander Sysoyev, a deputy of the State Duma**. "The most important thing is having people who can work efficiently in the new economic environment. At the moment the demand for qualified workers is outstripping supply. For this reason we are particularly interested in implementing projects which focus on improving the skills of experts employed in the agro-industrial complex."

The meeting also included a serious discussion about food safety and consumer protection in the Russian Federation. The manager of the project relating to this area, Mr. **Ferdinand Schmidt**, said that great efforts are being made to adapt Russian standards to international requirements. Harmonisation will enable Russia to join the WTO painlessly and occupy an advantageous niche in the international agricultural produce market.

In summing up, the participants observed that the progress already made had been constructive and important for both parties. **Alexander Sysoyev** believes that Germany has already

made a considerable contribution to the development of Russia's agro-industrial complex and will continue to be a strategic partner of our country in the future.

The participants supported the idea of expanding the scope of future activities.

"In view of the positive outcomes of what has been achieved, cooperation between Russian and German experts within the framework of current projects must be continued," said **Guenther Beger, the chief of the department responsible for "Consulting the governments of EU candidate countries and the countries of eastern and southeastern Europe" at BMELV**. "Furthermore, today's meeting demonstrated that there are potential areas in which new joint projects could be carried out. Bioenergy, in particular, seems a favourable area for future cooperation. Another topical issue is the standardisation and certification of foodstuffs. I would also like to see closer ties between the business sectors of our two countries and trade unions in the agricultural sector.

To implement more effectively the projects which were outlined, a plan was made to combine all of them and establish a German-Russian centre for staff training and investment. The experience already gained in the implementation of joint projects will form the basis for the Centre's activities. Those involved in the German-Russian projects scheduled their next meeting for the summer of next year.

EuroTier-2006

New prospects for German-Russian cooperation



Sergey Mitin, Deputy Minister of Agriculture of the Russian Federation

The Russian Deputy Minister of Agriculture, Sergey Mitin, visited Germany on November 13-16, 2006. He was heading the Russian delegation which arrived to participate in EuroTier, the international livestock exhibition in Hanover. A large number of foreign guests attended the event, but the Russian Deputy Minister was the only person granted the privilege of opening the inauguration ceremony. The "Investment in the Russian Livestock Sector" conference turned into one of the main business events of the exhibition. More than 300 politicians and businessmen from all over the world attended the event. While making a speech to the audience Mr. Mitin briefed the participants about the progress made in implementing the "Agro-Industrial Complex Development" National Project concerning the

livestock sector. He also talked about state support of investment projects in Russia. Mr. Stefan Duerr, the president of *EkoNiva* Group of Companies, also delivered a speech to the conference. He shared some information about practical experience as a German investor trying to develop Russian livestock production.

The Russian Deputy Minister also conducted negotiations with the Parliamentary State Secretary, the Deputy Minister of Food, Agriculture and Consumer Protection Dr. Gerde Mueller. The main topic for discussion during the meeting which took place in the homeland of the State Secretary, in the Alpine region of Kempten, was the expansion of rapeseed production in Russia to produce oil and the possibilities of delivering bio-fuel to European producers.

Photo exhibition

FOCUS on John Deere

Best photos will be published in *EkoNiva-News* journal and rewarded with cash bonuses and valuable prizes.

EkoNiva and John Deere companies continue the *Focus on John Deere* Photo Contest.

The contest finishes in October 2007 and has the following nominations:

- Sowing with John Deere
- Harvesting with John Deere
- I work for John Deere
- John Deere: unusual angle

Please, send your pictures marked with "For the *Focus on John Deere* Photo Contest" to the following address:

000 EkoNiva-Tekhnika,
d. Zakharovo,
Odintsovsky Rayon,
Moscow Region
143022, Russia, or
via e-mail to:
vesti@ekoniva.com.

Sowing with John Deere



Sowing season at Siberian Niva

Harvesting with John Deere



Harvesting campaign at Zashchitnoye farm

I work for John Deere



Yuri Maltsev behind the wheel, Zashchitnoye farm

John Deere: unusual angle

Dreams come true! Attending the "Golden Autumn 2006" Exhibition



A rare specimen. John Deere museum in the USA



Regional news

New farm launched

EkoNiva completed the first stage of the new livestock complex which will take in 2,500 cattle on November 6. The construction of this complex is being carried out as part of a national project.

A cow shed comfortably housing 460 high-producing Simmental cows purchased in Germany is up and running. The second stage will be the construction of a birth hall and a milking parlour. It is planned that this second stage will be completed by next autumn.

Now the issue on the agenda is something we did not take very seriously until

recently – the fattening up of our livestock. The “local” bulls should be fattened up along with those

born at the new farm. Once this is in process, a good cycle will be in place. The farm has already had discussions with the investment department of SberBank (the Savings Bank) about the new proposal and a b o u t increasing its credit limit. The project is coming together nicely and the relevant documentation is being prepared.



The first Simmental calf born at the farm

An agribusiness Club is founded in Kirov

An agribusiness club called “XXI Century” was founded in Kirov on the initiative of *EkoNiva-Vyatka*. This is a place for managers of agricultural enterprises in the region to meet and discuss vital issues.

The first seminar in the club was devoted to “Farm Machinery and Agricultural Production Technology”. During this conference, farmers from Vyatka were given various speeches highlighting their business trip to the USA which was organized by *EkoNiva* Group of Companies with the support of the John Deere Corporation.

Open Day



The service centre in the Moscow Region hosted an Open Day on November 23rd. Guests invited by *EkoNiva* include clients and partners: farm managers and experts, John Deere Corporation representatives, *Rosselkhozbank* (the Russian Agricultural Bank) representatives.

Yelena KONDRASHOVA

The meeting was opened by the president of the company, Mr. Stefan Duerr. He gave a presentation of company’s history, key directions for business development and future perspectives of the company.

The meeting was followed by a presentation about John Deere equipment. Interested people were given the opportunity to take a test drive on the tractors.

An excursion of the territory was organized for guests of the company. They had the chance to visit hangars and equipment storage lots, spare parts warehouses, and demonstration plots. The *EkoNiva* Company plans to hold such informal gatherings again to socialize with clients and business partners.

EkoNivaSibir wins a gold medal

EkoNivaSibir collated the results of participation in regional agricultural exhibitions. The regions included were Tomsk, Kemerovo, Barnaul, and Novosibirsk.

Visitors’ main interest was paid to the following new equipment – the John Deere 7300 SPFH, the John Deere 9660 WTS Small Grain Combine, the Seed Hawk (Vaederstad), the TopDown cultivator (Vaederstad), and the John Deere 3415 telescopic handler.

A competition for agricultural experts was held at the exhibition. The prize for the winner was a model of John Deere 9660 WTS combine harvester. Only those who knew about this reliable and high-performance piece of equipment could give the correct answers.

The answer about average production capacity of the John Deere 730 combine harvester was based on figures provided by



the *Salair* Company from the Novosibirsk Region. This spring the average daily area planted by the harvester equalled 170 ha and once reached an all-time high of 225 ha.

The audience was captivated by the answer about the best performance of the Vaederstad TopDown: 13,500 ha were covered by this cultivator on *Ilyich* collective farm located in the Kemerovo Region. This qualifies for a world record.

Answers were given by competition participants about the advantages of John Deere versus Don and Niva combines. These advantages could not be denied: high production

capacity, cleaning quality, possibility to harvest grain crops with a higher moisture content, round-the-clock use, lower fuel consumption and comfort.

The *Rubin* farm from the Novosibirsk Region was given as an example where “... it took 14 Y e n i s e y combines to harvest 390 tonnes of grain, but only 2 John Deere combines were needed to harvest 400 tonnes. The load on the John Deere combines was unbelievable: two machines harvested over 4,000 ha.”

The last exhibition of the season was hosted in Novosibirsk. *EkoNivaSibir* won the gold medal for working well with visitors and also for its wide range of exhibited products. Georgy Ivashchenko, the Head of the Regional Department of Agriculture, spoke of the rapid development and quality of the company. He also expressed confidence in the company’s future success.



Our people

Alexander Zuyev: "When a client is happy I'm happy"

A BORN SALESMAN WORKING AT EKONIVASIBIR



Such people are our hope and support. He is a natural-born salesman, has a phenomenal memory and is a gifted narrator. Please, meet Mr. Alexander Zuyev, Director of EkoNivaSibir's Sales Department.

Yelena SHRAMKO

People always crowd around him at exhibitions. He talks about the equipment so inspirationally and in detail and keeps the visitors listening for a solid hour. But when we started talking about Alexander himself, he surprisingly quietened down. Let's ask the most successful sales person of EkoNivaSibir a few questions!

- What was the hardest decision you've ever made?

- It was the decision I made to move from the village to the city. I was working as the chief agronomist in the Tomsk Region when I received a phone call from Yevgeny Gorbunov offering me a job at EkoNivaSibir. It was in May 2002 and sowing

season was under way. Neither my wife nor my sons wanted to go to the city. My answer to Yevgeny's phone call was that I should finish my work during the sowing season first and then start a new job.

- Do you remember your first sale?

- At that time in the European part of the country John Deere equipment had already been used for two or three seasons, while in Siberia we were offering unknown brands for funny money. When people heard how high the prices were, they couldn't believe their ears. However, we managed to prove the advantages of our fodder complex which included a mower attached to the local MTZ tractor, tedder rake, pick up head,

bailer winding device, and a chopper. This was the first serious sale for the company. The experience of this farm was a good example for other farms in Siberia.

- Do you feel happy?

- In my opinion I belong to the category of people who spend most of their time at work. If I manage to find a set of equipment for a particular farm and I can see how happy the client is then I am happy too. That makes me happy...

- What do your sons think about your work?

- They both know exactly what their Dad does for a living. They really want to learn a foreign language so I hired them to sell imported equipment. They really got interested when I took them to see the very first "big tractor" in the region.

Football championship

Five teams will be competing for a John Deere tractor

In mid December, the EkoNiva Company and the John Deere Corporation ran regional mini-football qualifying tournaments in Tula, Voronezh, Kirov and Novosibirsk for Russia's agricultural enterprises, in which 14 teams took part. All enterprises which sent their teams for the tournaments are clients of EkoNiva. After the results of the qualifying games five teams made it through to



Participants of the qualifying tournament in the Chernozem Region

the finals.

Russia's central belt will be represented by two teams: AGP Molochny Produkt from Ryazan and RusAgro-Invest from

Belgorod.

Oskolsky Konservny Kombinat's team will fight for the Chernozem Region in the finals.

The Siberian region will be represented by Virt from Altai Territory; the Kirov Region will be represented by Agrofirma Doronichi.

Final games are expected to be dramatic. All teams desperately want to win. Who will win the John Deere tractor? We'll find out on February 11, 2007!

Partners speak about EkoNiva

Family ties



Waldemar Wiens, Sales Director for Kverneland Group SNG

- We've been working with EkoNiva for eight years now. This company has been supporting us ever since Kverneland began trying to enter the Russian market, and it became our first dealer in Russia. It is very significant that at a time when many other companies were ahead of us in terms of sales, EkoNiva not only provided us with maintenance support, but also began expanding it rapidly. You can always make a sale, but if you don't provide maintenance support, you can't make any more sales. EkoNiva is a highly respected dealer within the Kverneland family, above all because they have a very professional team.

Potential for growth



Sidney Bardwell, General Manager of John Deere's Russian operations

- The task of our dealers is to show our customers that using John Deere equipment will bring them financial rewards. An equally important matter is providing our clients with highly professional maintenance support. EkoNiva is meeting these challenges successfully. We are impressed by the way EkoNiva handles its business and the way it builds relationships with its clients. Most importantly of all, this company is showing dynamic growth. We are sure that EkoNiva has huge growth potential and an excellent future ahead of it.

Development strategy



Anders Ljung, Vaederstad Regional Sales Director

- We are very happy with the work EkoNiva is doing and, in turn, are trying to provide it with as much support as we can: we train their experts and visit their clients to provide consulting services. We like EkoNiva's strategy of creating new centres and expanding their global coverage. We have an agreement with EkoNiva that there will be Vaederstad equipment experts in all regions. We will train them and help them improve their skills on a regular basis. We hope that our relations with EkoNiva will continue to be fruitful in the future.

Anniversary

Alexander Sysoyev, Deputy of The Agricultural Committee of the Russian State Duma, Secretary of the Political Council of Yedinaya Rossiya (United Russia) party in Voronezh:



I am happy to congratulate the Russian-German venture, *EkoNivaAgro*, on the occasion of its first anniversary. I believe that Stefan Duerr is lucky to have Alexander Rybenko, a like-minded person who is a thoughtful and serious man. I would even say he is a proactive manager. In my opinion the continuously high figures in both crop cultivation and livestock breeding are a result of the balance between good management and wise personnel policy. *EkoNivaAgro* has created three farming units since November of this year. I think this is just the beginning.

I am glad to mention that a credit line is in place with the National Livestock Development Project. In November the first stage of the livestock complex was launched and the very productive Simmental breed are getting used to their new surroundings.

It is my wish that various factors (for example adequate state policies relating to the Agro-Industrial Complex, the solid legal framework currently employed by our committee, *Yedinaya Rossiya* as well as the "Russian-German Agricultural and Political Dialogue" Programme) will help to create the perfect conditions for our Russian based company *EkoNivaAgro* to develop in Voronezh and other regions.

Andrey Albakh, Head of the Energy and Engineering Policy Division, Department of Agro-Industrial Complex, Novosibirsk Region



EkoNivaSibir entered the market in 2002. During this short period of time the company has managed to gain the recognition of Siberian grain producers through supplying reliable machinery and high quality customer service. John Deere equipment is sold in grain-producing districts of the region including Krasnozersky, Ordynsky, Maslyaninsky, Iskitimsky, and Kochenevsky.

I would like to express my gratitude to the whole team for being professional, for supplying productive and reliable farm equipment for Siberian fields and also for the high quality of customer service given.

The Department of Agro-Industrial Complex of the Novosibirsk Region included all the equipment with a brand name John Deere into the list of machines which are subject to compensation from the regional budget in 2007. I believe that in doing this we are providing real support for the regeneration of agriculture.

EkoNiva expanded in various regions five years ago

The *EkoNiva* Group of Companies currently consists of more than 25 businesses. The regional development plan mainly involved the following three companies: *EkoNiva-Chernozemye*, *EkoNivaAgro* and *EkoNivaSibir*. Based on the experience of these three businesses, other branch offices have been established and developed. These three enterprises will celebrate their first small anniversary at the beginning of 2007: they have been established for five years.



EkoNiva-Chernozemye

IT ALL BEGAN WITH A FAX IN A FLAT



In autumn 2001 Nikolay Buravlev returned to Voronezh after a long business trip in the Kursk Region. He was working as the chief engineer on *EkoNiva's* first farming project – *Mechta Kolkhoznika* (the Collective Farmer's Dream). He returned to become the head of *EkoNiva's* representative office in Voronezh which dealt with the after-sales service of farm machinery in the Central Chernozem Region. It all began "with a fax in a flat".

EkoNiva-Chernozemye was officially registered on January 28, 2002. Seven enthusiastic colleagues made up the backbone of the young team: Alexey Bocharov (now the Deputy Director General for Regional Development), Natalia Delitsina (now the Deputy Director General for Marketing), Tatiana Burkhovetskaya (now the Deputy Director General for Finance), Dmitry Korendyasev (now a senior engineer of after-sales service), Oleg Olkhovsky (now the head of after-sales service), Anatoly Fonov (now the head of administration department).

In 2003 the decision to expand was made. Young experts joined the company and the sales, spare parts and maintenance departments were all established.

In 2004 an after-sales service centre was opened in the Liski District of the Voronezh Region. In 2005 a large scale construction of repair shops began. The shops consisted of hangars for oversized machinery, warehouses

and training class rooms.

In 2006 the growth of farm machinery sales achieved by Belgorod based partners resulted in the opening of a *EkoNiva-Chernozemye* branch office in the Rakityansky District of the Belgorod Region.

Fifty people are currently employed by the company. The personnel have always been chosen for their professional and moral qualities. This is the reason why the team works so well together, even during hard times.

"Last year showed good results" said Nikolay Buravlev, Director General of *EkoNiva-Chernozemye*. "Machinery sales totalled 457 million rubles and the target for next year is to increase sales by 20%. It is a good time for progression: the company is growing and has high aims.

Ivan Dubovskoy, Deputy Governor of the Voronezh Region:



"We are very pleased that *EkoNiva-Chernozemye* is operating in our region. Over a period of five years this company has become a large dealer in the Central Chernozemye supplying the most advanced and reliable farm

machinery from the world's leading manufacturers. The construction of a service centre in the Liski District will allow us to increase the level of service for both new and used equipment owned by local agricultural producers. Furthermore, the high quality demonstrations and Field Days where farmers can see cutting edge equipment and learn about the most advanced crop cultivation technologies all testify to the high professionalism of this company's personnel.

From the bottom of my heart I congratulate the company on its anniversary and I wish it prosperity, prospects for new development and fruitful cooperation for the future. I would very much like to see more companies like *EkoNiva-Chernozemye* in our region."

EkoNivaSibir

SIBERIAN PIONEERS

A branch office of *EkoNiva* was established in remote Siberia at the beginning of February 2002. This office was headed by Yevgeny Gorbunov. His university friends and other like-minded people made up the rest of the team. Establishing the company and gaining a good business reputation in Siberia was not an easy task. At present the following people have managerial posts: Natalia Nechunayeva is the Financial Director, Alexander Zuyev is the Head of the Sales Department, Alexey Osotov is the Head of the Maintenance department, and Denis Kondratyev is the Head of the Order Department.



an area larger than two hectares was launched. Leading farm equipment from the world's leading brands (including John Deere, Vaederstad, Kverneland, Lemken, Grimme, BVL) is being exhibited at the demo plot. Three thousand spare parts are available at their warehouse.

The company has had tremendous success over the past five years. Some of its achievements include: the first John Deere tractor in Siberia, satellite navigation in fields, dozens of seminars for farm managers and agricultural experts, Field Days with demonstrations of the most advanced and reliable equipment in the world and providing people with knowledge of the world's farming technology. And there is still much more to come!!!

Today the company employs 43 people including 10 maintenance engineers. The headquarters are located in Krasnoobsk and a branch office in Barnaul was opened in 2005. The *Sibirskaya Niva* (Siberian Niva) experimental farm is a testing plot for advanced technology.

Most recently a service centre covering

EkoNivaAgro

MULTITUDE OF PLANS



EkoNivaAgro was founded in March 2002 on the Tikhy Don collective farm which had around 4,000 ha of arable land. From the very beginning the new company started to produce crops which were in constant demand, namely European malting barley varieties and winter wheat.

In 2003-2004 another plan was implemented: the establishment of a professional seed producing business. Farmed acreage increased from 13,500 ha up to 22,000 ha in 2006 due to the addition of two new farms.

Now *EkoNivaAgro* is not only a successful seed farm but also a company which has literally resurrected the production of livestock. In spring 2006 the construction of a modern livestock complex for rearing 2,500 cattle began as a part of the national project in the village of Shchuchye. However, *EkoNivaAgro* started to revive livestock production long before the construction of the new complex. The farm reconstructed farm buildings, worked with livestock and learned how to make quality cattle feed. To accomplish this they had to

study, examine foreign techniques and learn about new technology.

The development of livestock production will create new jobs. *EkoNivaAgro* currently employs around 300 people, and after the construction of the new complex the number of employees will grow considerably. The company is trying to attract young experts by offering them decent working conditions and career progression. For example, *EkoNivaAgro* currently employs three agronomists who are younger than 30.

"We need experts who are young and experienced", said Alexander Rybenko, the Director of *EkoNivaAgro*. "As long as they have a desire to work we will always find a position for them because the farm is expanding and we have multitude of plans."

Yevgeny Gorbunov, the Director General of EkoNivaSibir



Graduated from the faculty of scientific agriculture of the Novosibirsk State Agrarian University. While he was studying at university he carried out practical work in the field of bio-farming in Germany. He also has experience of practical work in the *Salair* Company. Since then he has spent many years working on numerous farms in the Novosibirsk Region as an agricultural engineer. He has been the president of *EkoNivaSibir* since its establishment.

"I believe that the most important task of our company is to equip Siberian agriculture with the most reliable and efficient equipment".

Alexander Rybenko, Head of EkoNivaAgro's branch office



Born and lives in the village of Shchuchye, Liski District, Voronezh Region. Graduated from Pavlovsk Agricultural Technical School as a mechanic. Worked in a collective farm as a tractor operator,

foreman, and safety engineer. He ran the village administration unit for 10 years. In January 2002 he became a manager of the *Tikhy Don* collective farm in his home village. In March of the same year his collective farm became a branch of *EkoNivaAgro*.

"I believe that every person should be able to defend their point of view without being scared of the consequences".

Nikolay Buravlev, the Director General of EkoNiva-Chernozemye



Graduated from the faculty of mechanical engineering of the Voronezh State Agrarian University. Graduated from postgraduate study. While working as a professor at the Operation of Machines and

Tractors Fleet Department he defended his doctoral dissertation. He has been an employee of *EkoNiva* since 2000.

"I always base myself upon honesty, openness, professionalism both in business and in everyday life".

Football championship

In mid December, the *EkoNiva* Company and the John Deere Corporation ran regional mini-football qualifying tournaments in Tula, Voronezh, Kirov, and Novosibirsk for Russia's agricultural enterprises, in which 14 teams took part. All enterprises who sent their teams for the tournaments are clients of *EkoNiva*. The following teams qualified to play in the finals:

Oskolsky Konservny Kombinat (Oskol Canned Goods Factory) from the Belgorod Region was the winner of the regional qualifying tournament in the Black Earth belt region. Oleg Pogorelov is the captain of the team.



The Kombinat processes and cans vegetables which have been grown in their own unit called *Nadezhda* (Hope). The total

farmland area is 5,000 hectares. In addition the farm is heavily involved in grain crops production. It has been cooperating with *EkoNivaSibir* since 2005. The football team was set up at the same time the Kombinat was established in 2003. The team has won the regional cup three times and participates in the district Olympics among local agricultural enterprises every year. The Director General of the company, Sergey Verstov, the Deputy Director, Alexander Zhuravlev, and the Board Member, Sergey Fironov, all play for the team.



Five teams

are to compete for a John Deere tractor

AGP Molochny Produkt (AGP Milk Product) from the Ryazan Region was the winner of the regional qualifying tournament in Tula.

Roman Chamkin is the captain of the team.

The company was founded in 2004. The business mainly focusses on the production, purchasing, storage, processing, and trading of agricultural commodities. The group consists of 14 farms which are located in the Ryazan Region. The company participates in the national programme called "Development of the Agro-Industrial Complex in the Ryazan Region". A pig farm and two other larger farms are currently under construction.



RusAgro Group of Companies from the Belgorod Region was the medal winner from the regional qualifying tournament in Tula. Vyacheslav Nagorsky is the captain of the team.

This is Russia's largest agro-industrial holding. The business was founded in 1995. At present, *RusAgro-Invest* Agricultural Company consists of 26 agricultural enterprises located in 7 districts of the region with a total farmland area of 153,000 hectares. The company also boasts a haulage business, repair shop and a grain elevator.

The business focusses on cultivating crops and livestock breeding.



Virt from the Altai Region was the winner of the regional qualifying tournament in Siberia. The company's director, Pavel Beyfort, is the captain of the team.

This company focusses on crop cultivation and livestock breeding. It has been working with *EkoNivaSibir* from spring



2006 after having purchased tractors (various models: JD 9420, JD 730, TopDown 700, and RS-XL). They are happy with the equipment: "It allows us to create ideal working conditions for people", mentioned the director.

Agrofirma Doronichi (Agricultural firm Doronichi) from Kirov was the winner of regional qualifying tournament in Kirov

This company was founded in 1992. The main activities of the company are pig rearing, milk production, meat processing, making sausages and smoking meat. The total farmland area is 10,500 hectares with 40,848 pigs. Pork production equalled 6,000 tonnes and the number of cattle total up to 2,480. This agricultural firm is among Russia's top 100 agricultural enterprises and ranks number 30 where pork production is concerned. Presently a new pig rearing complex is being built to house 60,000 pigs with an estimated production of 11,000 tonnes.