

Land Deals in Russian Agriculture: Exploring investors land acquisition strategies



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Structure:

- Myths and reality: case
- Outcome of massive post-Soviet privatisation
- Reasons for further enlargement
- Prospects: Role in the global land grab rush

Agriculture in Russia

- 'According to the recipe of our *babushka*'
- 'The milk of your childhood'
- 'Completely natural and from village origin'
- What is the reality behind it?





‘Completely natural and from village origin’

Private family farms



Household plots



Problems of Soviet agriculture



- ‘labour on the field does not wait!’

Agriculture in Russia: reality

- Agroholding: Wimm Bill Dann

Magnitude:

- Numerous dairies
- Other food factories
- Over 40 large scale farms
- 20,000 ha owned
- 250,000 ha rented
- Port infrastructure



Reasons for enlargement:

- Soviet legacy
 - Concepts: ‘big is beautiful’ (incl. subsidies)
 - Infrastructure: very large scale
 - Institutions: absent or scale misfit
 - Importance of networks
- Lack human capital (incentive for scale)
- Coincides with investor interest & discourse





Potential role in global land grab

Investors move out off Africa towards Eastern Europe, FSU.

Benefits aside from geographic/ governance issues:

- Agroholdings go global: IPOs
- No media attention
- Not under NGO radar
- 'absent' rural civil society