

Ekosem-Agrar substantially expands milk production in 2012

Walldorf, 17 January 2013 – Ekosem-Agrar GmbH, the German holding company of Russian milk producer Ekoniva Group, produced a total of around 84.1 million litres of milk last financial year, corresponding to an increase of 61% compared with the previous year (2011: 52.3 million litres). This means the company is now Russia's second-largest milk producer.

Daily milk production last year averaged 230 tonnes, while in the financial year 2010/2011 it was only 137 tonnes per day. The reasons for this significant increase in production are greater efficiency in operations and the expansion of the dairy cow herd. By the end of 2012, daily milk production had already reached 265 tonnes. Daily production per cow milked increased throughout the year from 18.29 litres to 20.55 litres.

“The improvements we have made in milk production efficiency and the on-target expansion of our dairy cow herd mean that 2012 was again a record year for us. We have increased the number of dairy cows by 42% in comparison to the previous year, to 14,808. At the end of the year we had 37,235 head of cattle (2011: 27,500),” says Stefan Dürr, Managing Partner and majority shareholder in the Group.

The outlook for the current year is also positive. The Russian milk market remains highly dependent on imports. Based on contracts already closed for 2013, the company anticipates an average milk price of approximately 44 euro cents per litre. This is 10% higher than the average price for 2012 and significantly higher than the price forecast for Germany. The market will therefore provide excellent conditions for further growth.

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About Ekosem-Agrar

Ekosem-Agrar GmbH Walldorf, Germany is the German holding company in the Ekoniva Group, one of the largest Russian agricultural companies. With over 36,000 head of cattle and an average milk production of more than 225 tons per day, the company is the third largest milk producer in the country. The group has more than 173,000 hectares of land and is also one of the leading producers of seed in Russia. A third area of business is currently being established with premium beef. The founder and managing director of the company is Stefan Duerr. He has been active in Russian agriculture since the 1980s and has played a decisive role in its modernization over the past two decades. In 2009, he was awarded the German Federal Cross of Merit for his contributions to the agricultural policy dialog between Germany and Russia. The corporate group has about 2,900 employees at six locations in Russia and achieved revenues from operations of € 81 million in fiscal year 2010/2011. For further information visit: www.ekosem-agrar.de