

BasEl Expanding Agricultural Activities

By [The Moscow Times](#)

July 31, 2012



Basic Element plans to spend roughly \$37 million on hog farming as part of investment totaling more than \$120 million in agricultural assets.

Basic Element plans to invest 4.1 billion rubles (\$127.3 million) in agrarian assets including a hog farm, meat processing complex and soy-processing project before the end of next year.

"The cost of the agri-projects is 4.1 billion rubles. We think these monies will be invested before the end of 2013," Andrei Oleinik, managing director of the agri-business section of the holding known as BasEl, said in an interview published Tuesday by Interfax.

The company recently acquired businesses Orlovskoye outside of Moscow and Rassvet in the Krasnodar region. They are former Defense Ministry collective farms that were part of Agroprom, Oleinik said.

The company's land holdings thus reached 111,000 hectares, of which 84,000 hectares are part of BasEl's main agricultural asset, the Kuban agri-holding.

Oleinik said that at the present time, the agri-holding owns 60 percent of the land and leases the other 40 percent.

"But we are moving towards 100 percent ownership," he said. "The task of expanding the land bank and moving land from renting to ownership is for the near future — that is 2012-2013, [or] mid-2014 at the latest," he said.

Noting that the company plans to undertake independent grain export, Oleinik said this year is being devoted to the creation of a special export structure. Real exports could begin next year.

"I think initially it could be 400,000 to 500,000 tons, which is absolutely realistic for next year," he said.

BasEl and Russian Machines are engaged in a project to create a fleet of grain hoppers. "The modernization of railcar-building facilities is underway at Ruzkhimmash, located in Ruzaevka, Mordovia, for the production of grain hoppers," he said. "It will be ready to turn out this product by September, according to the plan," he added.

It is expected that the first hoppers will roll off the production line in October, and will reach one hundred in number by the end of the year.

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