

Russia Invests in American Cows

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Miratorg now has over 72,000 Aberdeen Angus cattle grazing locally.

The right species of foreign agent can get incentives to prosper and propagate in Russia, as shown by a deal announced Thursday.

A unit of state-controlled lender Sberbank said it agreed to loan 1 billion rubles (\$33 million) to an agricultural company for expanding its herd of U.S. bovines.

Owned by Miratorg Agribusiness Holding, the herd of 12,000 meat cows and bulls from Arkansas grazes in the country's westernmost region of Kaliningrad on the Baltic Sea.

One of Russia's largest agricultural investors, Miratorg brought in the first shipment of the Aberdeen Angus cattle to the region in December.

A unique long
term loan is
allowing a local

agricultural
investor to
expand its herd
of American
bovine.

It also runs the country's biggest beef farm near Bryansk, where the Aberdeen Angus herd consists of more than 60,000 head.

Miratorg is betting on the government's plan to reduce dependence on foreign agricultural products. Russia is now the world's biggest beef importer, with an annual bill of \$3 billion.

The loan sets a milestone for the farming industry. It's the first time an agricultural company borrowed for a period of 15 years.

Enabling these sort of long-term loans, the Cabinet in December extended to as many years the time period for which it will refund the interest paid on them.

"The fact ... allows us to feel more confident when carrying out major projects with long production cycles," Miratorg President Viktor Linnik said in a statement.

There have been cattle imports by other farms around Russia, and U.S. breeder Darrell Stevenson even set up a ranch to facilitate the animal immigrants infiltration of local pastures.

The enthusiasm about U.S. livestock came before Russia banned imports of U.S. beef — as well as pork and chicken — in February, saying it didn't like the use of feed additive ractopamine.

The government is unlikely to lift the restriction soon, as some observers believe the measure relates more to politics than to safety issues. It may have been retaliation for recent U.S. legislation that punishes Russian officials implicated in human rights violations.

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