

Q&A: Stefan Drr Rises From Pig Insemination to Big Farming Business

By [Anatoly Medetsky](#)

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After 24 years of working with and in Russia, Dürr has found the best to balance local and imported ideas.

ZAKHAROVO, Moscow region — In part, it was thanks to Stefan Dürr that Russia trod so cautiously for so long on the issue of private ownership of its farmland.

The government held off on farmland sales for more than a decade after the Soviet collapse, not allowing any such transactions until 2003.

"I was a consultant to the State Duma's agrarian committee," Dürr said. "The role I played in delaying private ownership of farmland was not little."

Stefan Dürr

Education

1993 — The University of Bayreuth

Work experience

1993-present — president and chief executive of Ekosem-Agrar, Germany

2002-present — president and chief executive of EkoNiva APK Holding Company, Russia

2002-present — president and deputy chief executive of EkoNiva Tekhnika Holding Company, Russia

Favorite book: Geographic Atlas of the World

Reading now: Geographic Atlas of the World

Movie pick: Soviet comedies such as "Kidnapping, Caucasian Style" (1967), which was directed by Leonid Gaidai. "Das fliegende Klassenzimmer" (The Flying Classroom), a 1973 German comedy film directed by Werner Jacobs.

Favorite Moscow restaurant: Cantinetta Antinori, 20 Denezhny Pereulok; and Prichal, 2nd kilometer of Ilyinskoye Shosse, Moscow region.

Weekend getaway destination: The Voronezh region farm or skiing near Zakharovo, Moscow region.

Unlike the communists, though, he and his allies in the legislature sought not to stymie all sales but to give farmers more time to adjust to the new economic conditions and build capital sufficient to buy land from the state.

Dürr first got involved in Russia's agrarian policy during his college years when he helped organize a Russian government trip to east Germany and set up a Russian-German farming policy group.

But he started out in Russia itself as an intern pig inseminator in 1989, helping feed the Soviet people while witnessing the political drama of the last days of the communist empire.

Enamored with Russia, Dürr later set up a farming business that earlier this year laid claim to being the country's largest milk producer.

He also said the company that he co-founded, EkoNiva, is Europe's biggest distributor of John Deere farm equipment.

Dürr sat down with The Moscow Times at an office that the company has in Zakharovo, surrounded by more than a dozen clay miniatures of cows of all stripes, to recall the highlights of his staggeringly long stay in Russia. The interview has been edited for length and clarity.

Q: Why did you come to Russia, and why have you stayed?

A: The Soviet Union was an interesting and exotic place to be when I came here in 1989. In the pigpen, everybody was caught up in listening to broadcasts of Soviet General Secretary Mikhail Gorbachev's debates.

I worked as an intern for six months, from May to October, starting at a pig farm named after the 50th anniversary of the Soviet Union in the Naro-Fominsky District of the Moscow region. The farm now belongs to the agricultural holding company Cherkizovo.

They had artificial insemination for swine, a very rare thing at that time. I was made inseminator first class. It was fun. We spun out the time feeding female pigs, then took a break. Then we inseminated them and went for a lunch. We had a lot of time to talk to each other, and I was invited to parties. After a month, I went over to work with cows, and then interned with the agronomist.

I came back because I was impressed with the opportunities and sheer acreage available for agriculture. I come from southern Germany. Our farm was 14 hectares. We were thinking of getting hold of more land from the neighbors, renting or buying, which would barely build up the plot of land to 100 hectares. Here, you take as much as you want.

In 1991, I went to a farm named after the 40th anniversary of the October Revolution near Kursk to write my thesis. I lived for eight months in the farm experimenting with the roots of the Medick plant.

I am also here because I met my future Russian wife here in 1994. She said we would have to live in Russia if we were to stay together. She is a patriot.

Q: What was your experience in the turmoil that followed the Soviet collapse?

A: I got acquainted with Vasily Vershinin, who was chairman of the Moscow City Peasant Union. Some time after the coup of August 1991, we organized a trip by a Russian deputy agriculture minister and deputy chairman of the Russian Supreme Council's farming committee to Germany, which took them around eastern Germany in a minivan to look at the re-organization of collective farms.

Germany's Ministry of Agriculture and Forestry knew me from student exchanges that I had organized with Russia and supported setting up Russian-German Agrarian Policy Dialog in 1993, in which the ministry represented Germany. It still exists, and I am still its official chief, but I don't have much time to spend on it.

I represented Germany as a farming expert at meetings of the Group of Seven. The other

countries said Russia had to break up its collective farms and privatize them. But the eastern German experience was to hold back ownership of land from people.

I was a consultant to the State Duma's agrarian committee, then chaired by Alexei Chernyshov, who now sits on the Federation Council, the parliament's upper chamber. We thought Russia shouldn't split up large collective farms but rather give them good terms to rent land from the state. This would instill farmers with a sense of doing business in a new economy and allow them to put aside enough money to in the future buy the land that they were using. In Russia, there is still farmland that has been bought by someone but fallen into disuse, even though private property on farmland wasn't permitted until after more than a decade after Soviet collapse.

The role I played in delaying private ownership of farmland wasn't little. I heard people calling me a Communist Party member. But communists said they would never allow the sale of farmland in principle — "Land is our mother, and mother is not for sale" was their position. We said we didn't want to have it up for sale until after the turmoil and mess.

Separately from farm policy issues, I helped organize a Russian-German student exchange program in 1991 and traveled to Russia many times the following two years.

Q: What were the memorable moments of starting a business in Russia?

A: When I graduated in 1993, I needed a job and joined forces with a partner to create Ekosem-Agrar, a German firm that a year later became the parent company for EkoNiva, the Russian business that began selling used farm equipment and seeds in 1996. But my main job was State Duma consultant until 2002.

In 2002, EkoNiva set up its first farming company.

Before the fall of 2008 when the economic crisis struck, the distribution of farm equipment was the larger business. We are still Europe's largest distributor of John Deere machines and parts, with sales of 5.6 billion rubles.

After the fall of 2008, demand for machines slumped and our farm business came to the forefront.

In 2005, we started a milk business just because one of the farms we bought had cows and the chief of the local Liskinsky District municipality, in the Voronezh region, banned us from killing them. "If you slaughter them," he said, "I will kick you out of here."

We left them alone, thinking we would make money on growing grain and somehow keep the cows. Later, we saw we had big losses because of the cows. We had to choose between a standoff with the municipal chief and getting a proper dairy business going.

I am still grateful to him for giving us the push. We went into the dairy business. Starting this year, we are the biggest dairy producer in Russia, supplying 350 metric tons of milk per day.

We sell 60 percent of the output to Danone, 25 percent to Liskinsky Dairy Plant, which is part of the holding company Dominant, and 15 percent to the Tula Dairy Plant.

We produce most of the milk — two-thirds — in the Voronezh region. The rest comes from farms in the Novosibirsk, Kaluga, Kursk and Tyumen regions.

Q: What is your secret to successfully managing people and business in Russia?

A: In terms of sourcing staff, I favor a mix of locals and a few foreigners. It's difficult to do without any foreigners because they help generate new ideas, but too many of them is bad. I say they are like salt in a soup: a little is good, but too much spoils it. Many companies make the mistake of bringing in lots of foreigners and hoping they will resolve every problem. Nothing of the sort!

Secondly, I place my bets chiefly on youth, but I believe the older generation has to be involved, too. There has to be a mix of high potential and experience.

It is often said there is a dearth of people in Russian farming. This is not true. You just have to find them, train them, and both motivate and penalize them, of which the motivation part is the more important.

Also, never be arrogant here. Nobody likes that, but Russians have a special dislike for it. This country requires additional leadership, you have to bang on the table and say, "We are doing it this way!" This doesn't mean I am not trying to introduce democratic management: You simply need to think and make decisions on your own.

A Russian would say, "What if I am wrong?" If you are wrong, it is bad. "What if I am wrong again?" That's very bad, and if you are wrong the third time, you will be shown the door. But you can't make no decision at all. It's difficult to delegate responsibility, but I'm making progress little by little.

With Russians, if they take your ideas to heart, you can move mountains. Germans are colder and more shrewd. They walk steadily — you won't climb a high mountain with them, but you also won't fall. Russians can work nights and weekends, Germans wouldn't. What we did to create the business in Russia would have been impossible to do with Germans.

Q: What advice would you offer a foreigner who wants to invest or expand in Russia?

A: Conditions are very good in agriculture. I sometimes wonder if I should say that things are so good because that could make the business crowded.

Don't be naive. People sometimes think that if they get a promise, then things will go smoothly.

You have to be and work here on the scene. If not you, then your son or brother or another close relative. If you want to build a business here while living there, it won't work. It's not just about control but rather working alongside people. People here won't tolerate a boss that comes just to pick up the dividends.

Often I hear people say the legal system doesn't work. I think it does. But there are peculiarities. The principle here is 'form over substance.' In Germany, it is 'substance over form.' There, if it's obvious that we agreed on something, especially if we have a witness, we do not need a written agreement. In Russia, an agreement is not worth much if it is not

on paper, has the right stamp and the signature is from an authorized person.

Another thing that many can't grasp is the lack of proportionality. If a company with revenues of \$10 billion is late on a \$1,000 payment to the tax office, the taxman will immediately consider asking a court to seize the company's accounts. A Russian judge would not hesitate to issue an order to that effect. A German judge wouldn't do that.

One more thing that is absent here is the notion of win-win. If I make one ruble, and you make 3 rubles, I can live with that. In Russia, it's considered bad business. It's better that I make half a ruble and you make nothing. I think it's getting better, but it still hampers business a lot. In a typical Russian business, one should win, and the other lose.

Q: Who or what inspires you?

A: Nature.

Q: What's the single piece of advice that influenced your life the most?

A: Head of Liskinsky District municipality Viktor Shevtsov always pushed me to not waffle on things if I know I need to do them.

Q: Is there anything you can't do but would like to learn?

A: Play football.

Q: What has recently made you feel surprised, happy or disappointed?

A: I feel very disappointed by the policy of German Chancellor Angela Merkel who doesn't support Russia because of the Pussy Riot case. She shouldn't stick her nose into this.

I was happy that they seem to have found a way out in Syria through the efforts of Russian diplomacy.

I am also happy that, as I have been told, the decree that is giving me Russian citizenship is awaiting President Vladimir Putin's signature on his desk. It was the idea of Alexei Gordeyev, the Voronezh region governor. He recommended that I be given citizenship for my services to the country. Germany agreed to my double citizenship after much deliberation; they usually don't allow this.

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