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German-Owned Company Becomes Russia's Biggest Milk Producer

By The Moscow Times

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A German-owned agriculture holding company, EcoNiva, boosted its milk output nearly 30 percent in 2014 to become Russia's leading milk producer, newspaper Vedomosti reported Thursday.

EcoNiva, which is owned by German businessman Stefan Duerr, increased production 28 percent last year to 153,700 tons of milk, Vedomosti reported, citing an annual report issued by EcoNiva's parent company, Ekosem-Agrar.

This increase allowed Duerr's company to surpass the previous market leader Krasny Vostok Agro, an agricultural holding owned by State Duma deputy Ayrat Khairullin. Krasny Vostok produced 140,920 tons of milk last year, Vedomosti cited a company spokesperson as saying.

EcoNiva received project financing from the Russian government for the expansion of its

dairy farming business, the report said.

EcoNiva boosted its output even as foreign competitors were forced off the market by Russia's ban last year on select Western food imports, including milk, which was imposed in response to U.S. and EU sanctions on Moscow for its role in the Ukraine crisis. Russia last month extended the import ban for another year.

Before the ban, about 35 percent of milk on the Russian market was imported, Artyom Belov, CEO of the National Association of Milk Producers, told Vedomosti.

This share dropped drastically after the embargo. Imports of milk from August of last year to May this year dropped to around 25 percent of the levels seen in 2013 and 2014, news agency RIA Novosti cited the National Association of Milk Producers as saying.

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