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Russia to Supply Army Using Seized U.S.-Owned Food Company – Reports

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Artyom Geodakyan / TASS

Russia plans to use an American-owned company whose assets it seized to supply food to its army, Reuters reported Thursday, citing a document it obtained.

President Vladimir Putin ordered the seizure of Glavprodukt, the country's largest canned food producer, and its placement under temporary state control in October 2024. While Moscow has nationalized several foreign-owned businesses since the invasion of Ukraine, Glavprodukt is the first to be taken from an American shareholder.

In a letter to the Prosecutor General reviewed by Reuters, Glavprodukt's new management claimed the takeover was necessary to ensure stable food production, including for supplies to the National Guard and the Defense Ministry.

Glavprodukt had never supplied the military before its seizure, a person familiar with the matter told Reuters.

Following the transfer, Glavprodukt's owner, U.S. businessman Leonid Smirnov, was accused of moving approximately 1.38 billion rubles ($17 million) of the company's funds out of Russia from 2022 to 2024 in defiance of Russia's wartime restrictions on capital withdrawal.

According to the Prosecutor General's Office, Smirnov also attempted to block Glavprodukt's food shipments to the front and urged employees not to cooperate with the new company management, allegedly out of a sense of revenge for the takeover.

Smirnov denies any wrongdoing.

Related article: Putin Orders Seizure of U.S.-Owned Canned Food Maker

The seizure of Glavprodukt appears poised to benefit business interests linked to Alexander Tkachev, a former agriculture minister who is under Western sanctions, Reuters reported.

Smirnov founded Glavprodukt in 1999. Born in the Soviet Union, he emigrated to the U.S. in the 1970s, built a business career and returned to Russia in 1995.

Today, the company operates three major factories that produce a wide range of canned meat, condensed milk and canned fish and vegetables. As of late 2024, Smirnov said the company held roughly 10% of Russia's canned meat market, 7% of the dairy segment and up to 3% of the fish market.

In April 2023, Putin authorized the government to seize the Russia-based assets of foreign companies from countries the Kremlin views as "unfriendly," a move widely seen as retaliation to the West freezing around $300 billion in Russian state assets.

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