



ROSAGROMASH

Russian Association
of Agricultural Machinery Manufacturers



**Waldorf-Astoria
Orlando, Florida, USA
January 11, 2010**



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Topics:

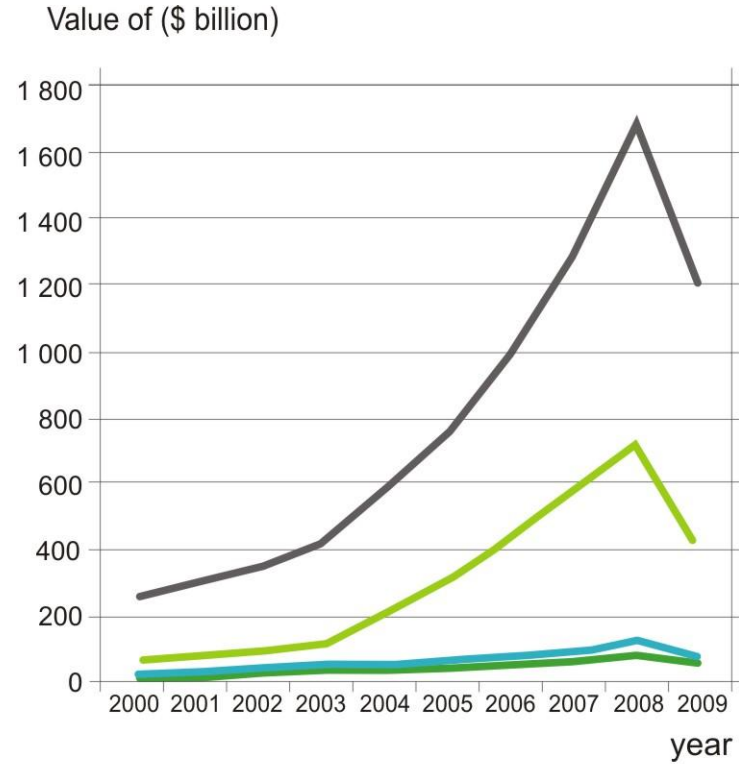
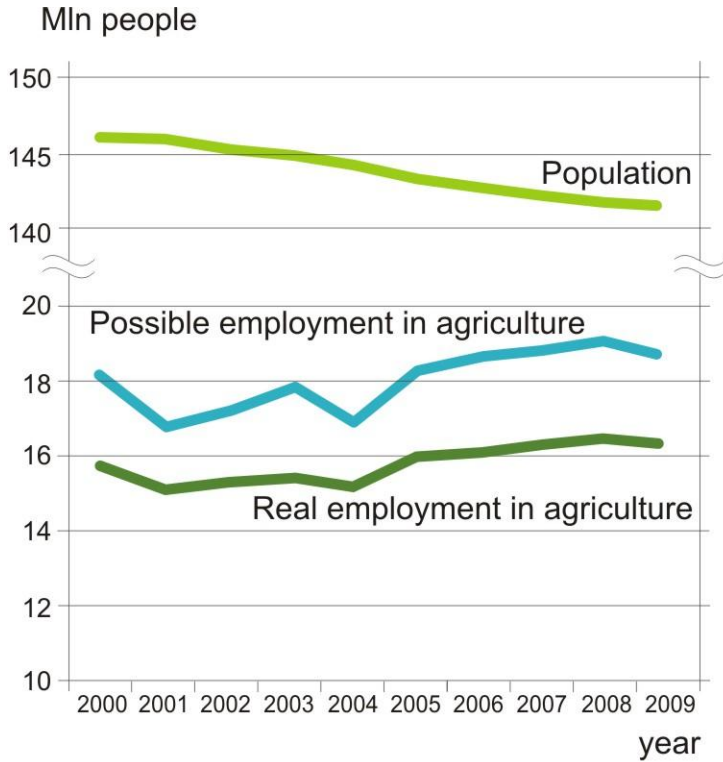
1. Macro economic trends in Russia
2. Agricultural industry
3. Agricultural machinery industry
4. Collaborative global projects



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Russian economy - general information



- GDP
- Agriculture
- Raw materials export
- Machinery manufacturing**

	2005	2006	2007	2008	2009*
Interest rate, %	10,8	10,6	10,5	12,7	19,5

* - calculated as an average per year

** - excluding defense industry, rocket and missile engineering





Agricultural industry



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«As for the agricultural sector, which was even called by some individuals as the “black hole” of the economy, today it is a supporting factor...»

Vladimir Putin

from a Dialog with Vladimir Putin



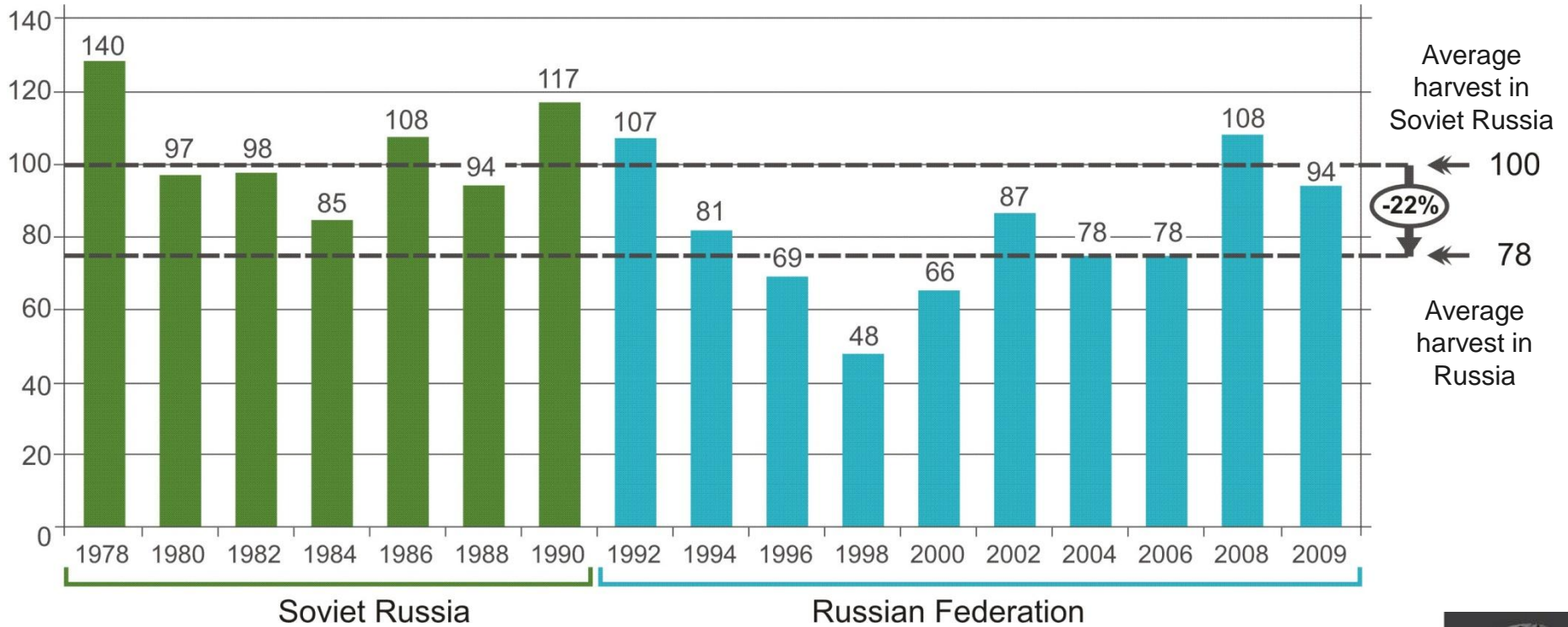
Long way from “black hole” to “driving force” of industry





Annual grain harvest* in Russia

Mln. tons



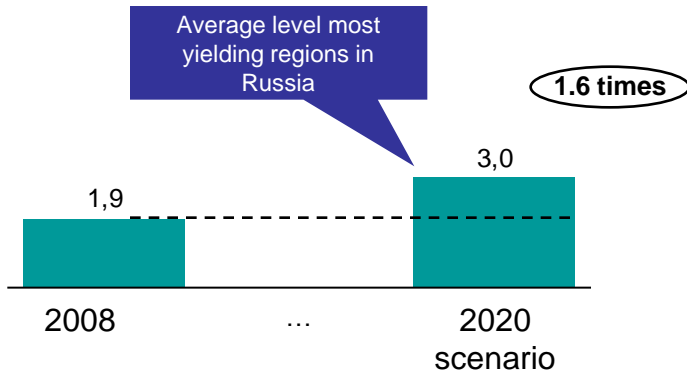
* – Wheat, rye, maize, oat, millet, rice



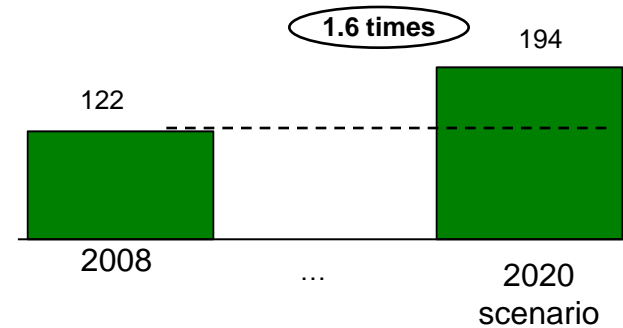


Grain production and consumption-prognosis

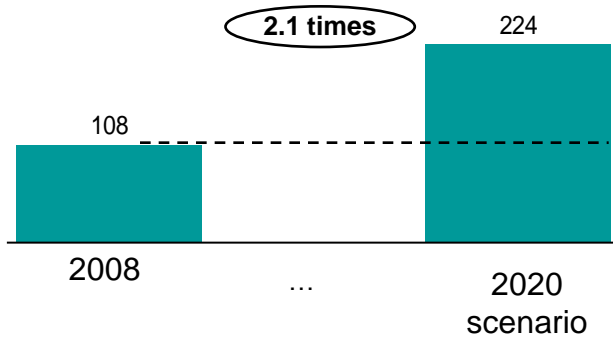
Average grain production*, tons/hectare



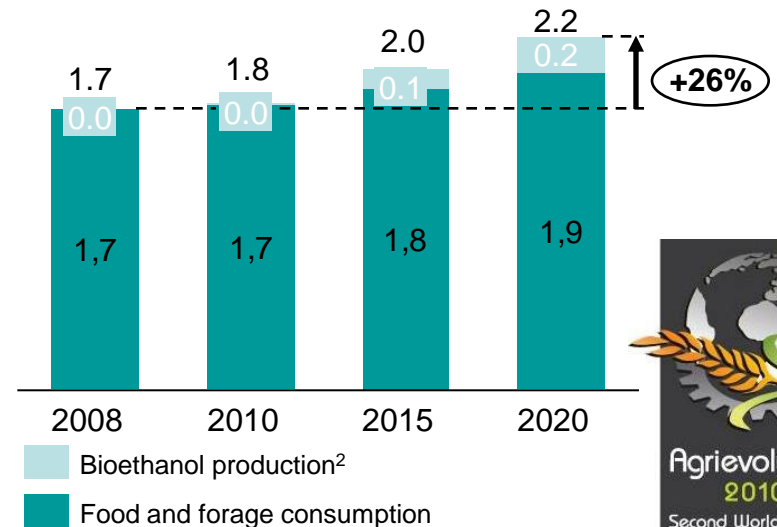
Land in use – Russian Federation, million hectare



Grain production – Russian Federation, billion tons



Global grain consumption according to FAO, billion tones



* – Yield of grain (wheat, rye, maize, oat, millet, rice), calculated according to planted areas

** – According to the FAO's forecast, bioethanol production will double by 2020 to 125 billions liters and biodiesel production will increase from 11 to 24 billion liters

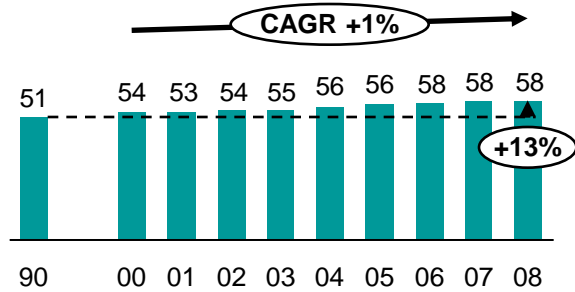




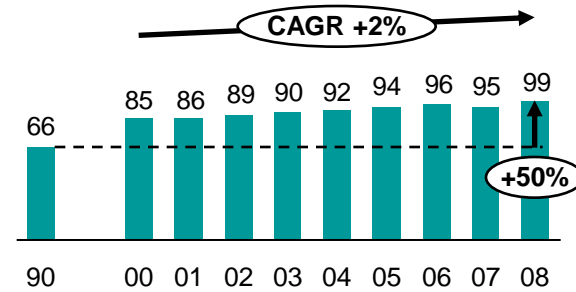
Annual livestock production in Russia

World

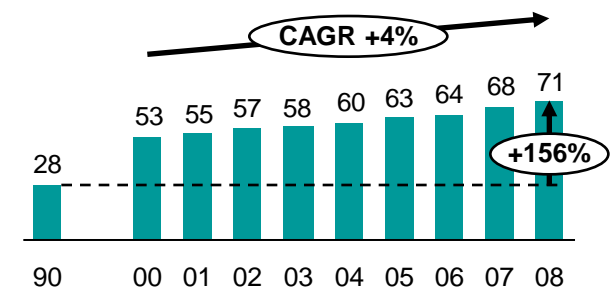
Beef, million tons



Pork, million tons

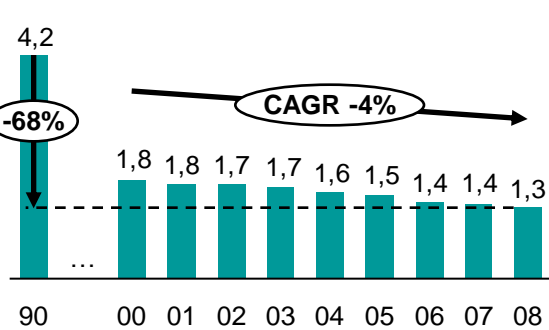


Poultry, million tons

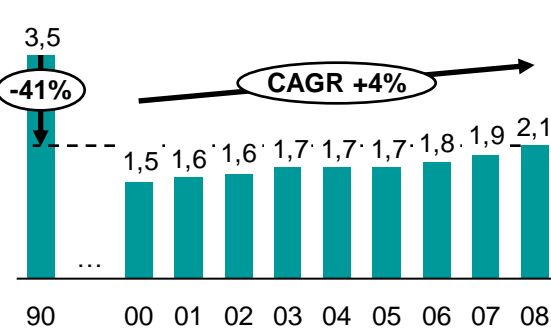


Russia

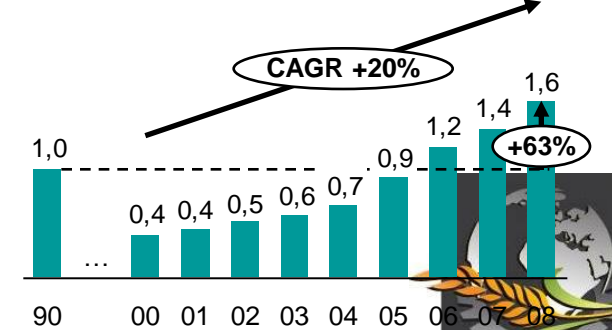
Beef, million tons



Pork, million tons



Poultry, million tons



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Russian farmer





Agricultural potential is Russian economic potential

Export support



Subsidies

Reasonable price policy



Cheaper borrowings



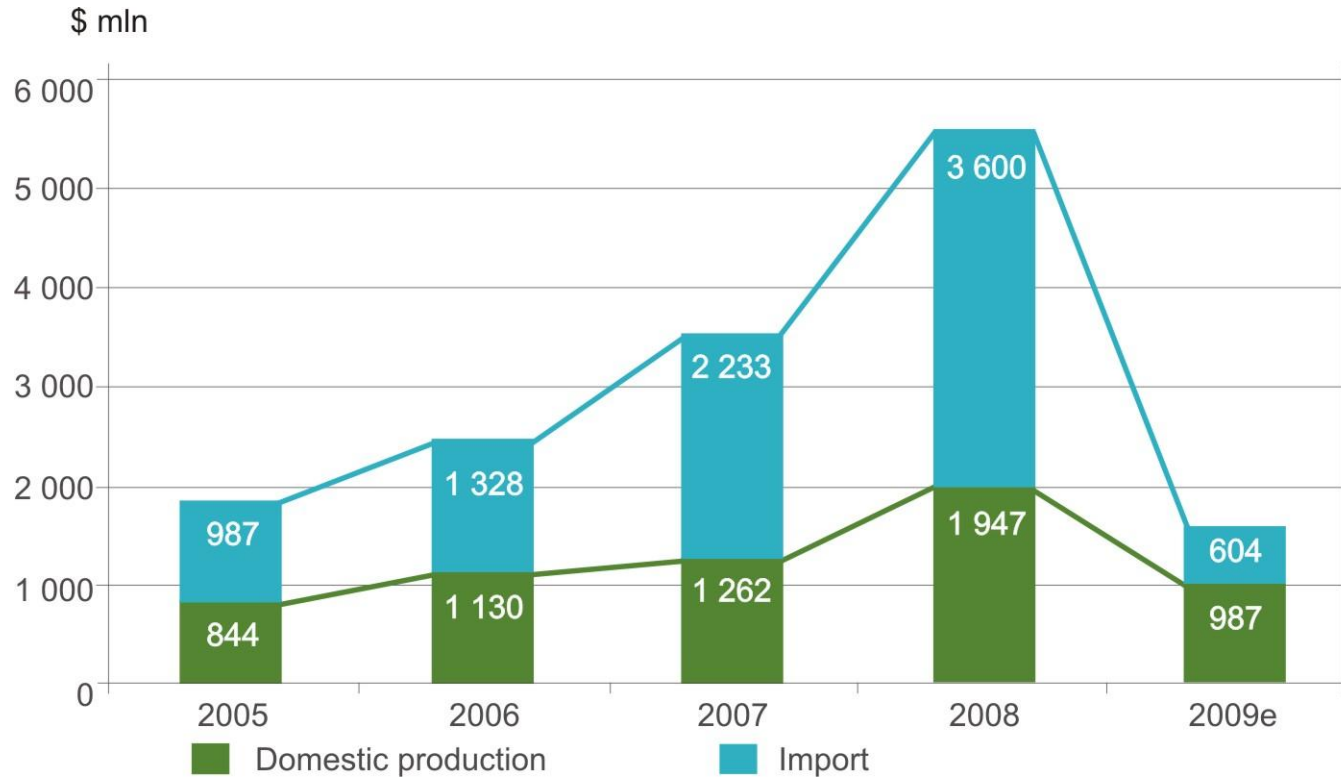


Russian agricultural machinery industry





Sales trends in 2005-2009





Current situation of agricultural machinery industry – 2009*

	PRODUCTION		IMPORT		EXPORT	
	units	% to 2008*	units	% to 2008*	units	% to 2008*
HARVESTERS	5 993	-17.7	575	-81.7	1 872	-6.5
TRACTORS	5 668	-53.5	7 559	-70.1	407	-48.9
PLOUGHS	1 196	-55.2	6 198	-40.7	632	-51.0
HARROWS	1 949	-71.9	2 188	-57.2	788	-67.9
SEEDERS	3 298	-60.2	1 950	-75.3	437	-29.6
MOWERS	2 842	-17.3	4 408	-38.1	401	-9.7

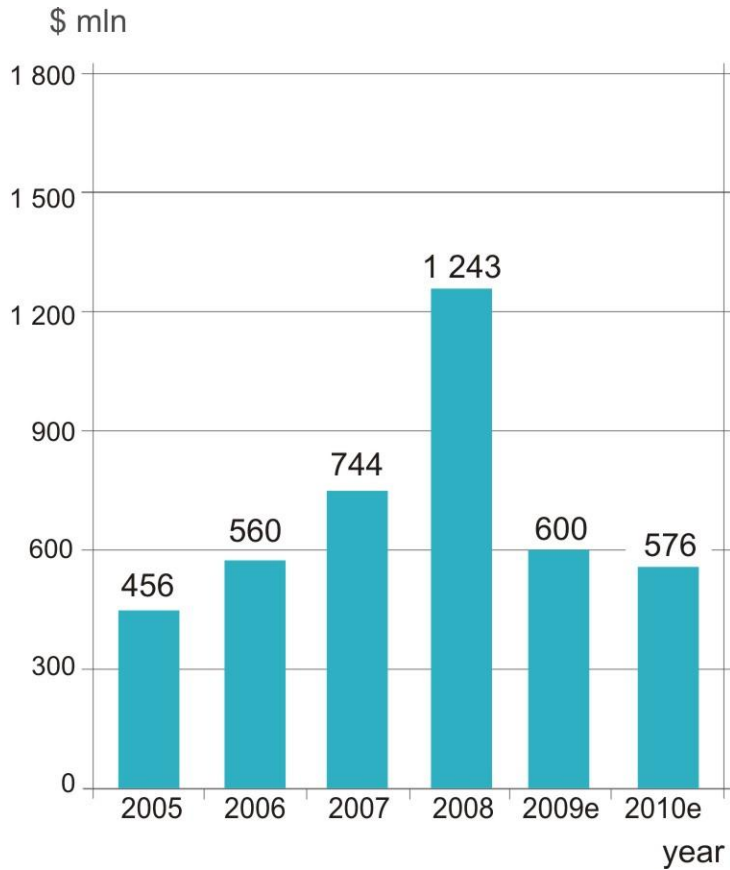
* - January-October



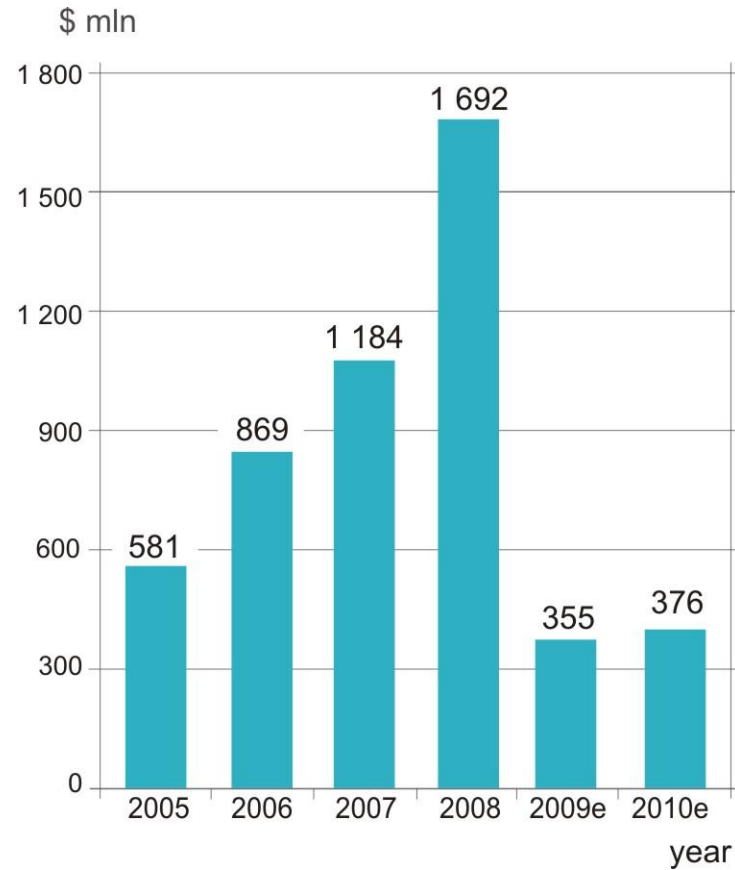
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Harvesters, total



Tractors, total





- Agricultural growth
- State support of the industry





Realistic scenario

Optimistic scenario

No increase in farmland

Harvest at the level of 70-90 million tons, meat production approximately at the level of 6-7 million tons.

Unpredictable price fluctuations.

Significant unpredictable fluctuations in the agricultural machinery market.

Level of agricultural machinery market between 1.5-2 billion US dollars

Great potential in the Russian agriculture sector.

Growth of crop acreage.

Annual harvest result over 200 million tons of grain, meat production over 15 million tons.

Predictable prices of the agricultural products.

Predictable agricultural machinery market.

Annual volume of the agricultural machinery market by 2020 – approximately 11-12 billion US dollars





For machinery producers

Mutual Russian-foreign investments

Internationalization of the component supply

For ROSAGROMASH Association

Collaboration on a trade shows worldwide

Standards of ISO and ANSI for wider implementation in Russian production process

Standardized statistical programs





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**Russia has a great potential
and a desire to cooperate!**

Thank you for your attention!



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