

## A Rating Assessment of the Condition of the Urals' Agro-Industrial Complex: Key Problems and Potential Growth Points



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**Abstract.** In recent years, despite mounting external challenges – from the general problems affecting global agriculture and the deteriorating situation on food markets to the intensifying “first global food war” – Russia’s agro-industrial complex has been turning into a backbone sector of the national economy. It can now be viewed not only as a supplier of food and resources for many industries, but also as a developer and consumer of critical high-tech solutions and breakthrough technologies capable of mitigating many of today’s global threats. The specific processes unfolding in the country’s agro-industrial sector, however, are rarely scrutinized at the micro-level – that is, from the standpoint of individual agricultural and food-industry enterprises – largely because the work is so labor-intensive and primary data so difficult to collect. This work is one of the first attempts to fill that gap, using a sample of 585 enterprises from the agro-industrial complex of the Urals, spanning seven federal subjects: the Republic of Bashkortostan;

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the Chelyabinsk, Orenburg, and Kurgan regions; and three regions of the Non-Black Earth Zone – the Udmurt Republic, the Perm Territory, and the Sverdlovsk Region. As far back as 2000, this macro-region ranked second among the country's 11 economic regions in gross agricultural output (14.07%) and produced nearly one-tenth of the Russian Federation's food (8.78%), yet over the following quarter-century it has lost some ground in that hierarchy (down to 10.81% and 7.13% in 2024, respectively). The main methodological tool is a first-ever ranking of the enterprises of the Ural agro-industrial complex, based on open data from the "Professional Market and Company Analysis System". For each year from 2018 to 2024, seven rankings were compiled: the Top-400 Leaders of the Ural agro-industrial complex by sales revenue; the Top-100 Leaders in agriculture; the Top-100 Leaders in the food industry (by sales volume); the Top-100 Leaders by net profit; the Top-100 Leaders by profitability; a ranking of problem zones (the 50 agricultural and food-industry enterprises with the largest net loss from business operations at year-end); and the Top-100 Leaders by labor productivity. In line with the study's objectives, the paper identifies the key risk-prone problem areas and possible growth points for the Ural agro-industrial business. Given its focus on the period 2018–2024, the discussion is prefaced by a brief characterization of the key global challenges currently affecting the world agrarian sector and of the main outcomes of the repositioning of agriculture in the modern Russian economy. The findings can be used by practitioners when preparing specific decisions to refine the "road map" for the further development of the country's agro-industrial complex and of the Urals in particular.

**Key words:** agro-industrial complex, food industry, ranking, agriculture, sustainable economic growth.

### **The global agricultural sector in the new geo-economic reality**

By the third decade of the 21st century, global agriculture has faced a number of challenges. Among the most significant are, first, a sharp decline in the average annual growth rate of total factor productivity – from 1.7% in the 1990s and 2.0% in the 2000s to 1.1% in the 2010s (Fuglie et al., 2024) and 0.7% in the 2020s (Nakelse, Thompson, 2025, p. 15) – at a time when it needs to at least double (Ortiz-Bobea et al., 2021, p. 310) to feed a growing global population (projected to reach 9.6 billion by 2050) (Adam, 2021, p. 463). Second, the first recorded contraction in global agricultural land area by more than 2% in 2001–2023 (Cattaneo et al., 2024, p. 473), compounded by accelerating land degradation (Wuepper, 2021; Nkonya et al., 2024), which the FAO has recognized

as a "critical challenge", affecting the quality of life of over 1.7 billion people worldwide by 2025<sup>1</sup>.

Third, the intensifying problem of freshwater availability (Pierri et al., 2025): according to FAO, 70% of global freshwater is used by agriculture by the third decade of the 21st century, while further expansion of water consumption by the sector is constrained, primarily due to inefficient use (Su et al., 2025). Fourth, the accelerating aging of farmers (Barbier, di Falco, 2021). According to FAO data, the share of agricultural workers over 55 increased between 2005 and 2023 from 19.2 to 23.2% in Brazil, from 15.2 to 22.7% in India, from 25.4 to 30.1% in China, and from 30.1 to 33.9% in the United States<sup>2</sup>. Fifth, global food markets (especially grain) entering a period of low prices and intense competition. As of June 1, 2025, the global average price for one metric ton of wheat was 174.78

<sup>1</sup> FAO. The State of Food and Agriculture 2025. Available at: <https://openknowledge.fao.org/items/dd568913-8938-4705-96c4-3f0ebb2a22b6> (accessed: 12.01.2026).

<sup>2</sup> FAO Stat. Employment Indicators: Agriculture and Agrifood Systems. Available at: <https://www.fao.org/faostat/en/#data/OEA> (accessed: 12.01.2026).

dollars, compared to 436.85 dollars on June 1, 2022, with the average annual rate of price decline for 2016–2025 being 4.3%, accelerating to 26.3% over the last three years<sup>3</sup>. The situation is further complicated by traditionally high import duties on food. The global average weighted import tariff on agricultural products (not considering preferential regimes) was 15.7% in 2023, slightly down from 17.2% in 2012, but still nearly four times higher than the corresponding rate for finished manufactured goods – 4.1% (4.2% in 2012)<sup>4</sup>, leading experts to speak of a “first global food war” unfolding in the mid-2020s<sup>5</sup>.

The seriousness of these challenges is acknowledged by the expert community. For instance, among the major six priorities of sustainable development until 2030, UN experts highlight not only “quality education”, “universal health coverage”, “digital connectivity” and others but also “sustainable agriculture”<sup>6</sup> in all regions of the world, not just the poorest countries. In 2025, experts from the World Economic Forum directly linked strengthening domestic economic resilience with the development of strategic sectors – energy, agriculture, and defense<sup>7</sup>.

These conclusions are based on statistical evidence. In particular, global economy slowdown –

from an average annual global GDP growth of 3.4% in 1995–2009 to 3.3% in 2010–2023 – largely determined the decline in average annual global agricultural production growth from 5.7 to 4.2%<sup>8</sup>. This correlation is even more pronounced when examining the changing composition of the world's top ten economies. China, the absolute world leader in agricultural production, by 2023 (the only representative of the 1995 top ten) managed not only to nearly double its contribution to global agricultural production (from 17.2 to 33.2%) but also to simultaneously increase its share in global GDP (from 2.4 to 17.1%). The United States, the absolute leader of the global economy by nominal GDP (28.3% in 2023), managed to retain its top position (24.5% in 1995) and, despite a decline in its share of global agricultural production from 10.3 to 9.0%, remained the number one food exporter (195.2 billion dollars in 2024<sup>9</sup>). Germany over the same period, while nearly halving its contribution to global GDP from 8.3 to 4.3%, also lost positions in global industrial output (moved from the third to the fourth place) and agricultural production (left the top ten by 2000 and ranked 13th in 2023). Japan, while remaining in the top ten global economies, as well as its industrial and agricultural sectors, had almost a simultaneous 5-fold decrease in its share in global GDP from 17.7 to 3.9% and global agricultural production from 8.5 to 1.6% between 1995 and 2023<sup>10</sup>.

<sup>3</sup> Inflation Adjusted Price of Wheat. Available at: [https://www.gurufocus.com/economic\\_indicators/4555/inflation-adjusted-price-of-wheat](https://www.gurufocus.com/economic_indicators/4555/inflation-adjusted-price-of-wheat) (accessed: 14.01.2026).

<sup>4</sup> UNCTAD. Global Trade Update. March 2025. Policy Insights. The Role of Tariffs in International Trade. 23 p. P. 4.

<sup>5</sup> Labykin A. (2025). First global food war. *Ekspert*, 16, 17 (in Russian).

<sup>6</sup> “To a great extent, sustainable development is a long-term investment challenge... major investment priorities include quality education, universal health coverage, zero-carbon energy, systems, sustainable agriculture, urban infrastructure, and digital connectivity”. See: UN. Sustainable Development Report 2024: The SDGs and the UN Summit of the Future. Dublin University Press: Dublin, 2024. Available at: <https://s3.amazonaws.com/sustainabledevelopment.report/2024/sustainable-development-report-2024.pdf> (accessed: 05.12.2025).

<sup>7</sup> WEF. The Global Risks Report 2025. 20th Edition. WEF Press: Geneva, 2025. Available at: [https://reports.weforum.org/docs/WEF\\_Global\\_Risks\\_Report\\_2025.pdf](https://reports.weforum.org/docs/WEF_Global_Risks_Report_2025.pdf) (accessed: 05.12.2025).

<sup>8</sup> World Bank Data. GDP Growth (%). Available at: <https://data.worldbank.org/indicator/NY.GDP.MKTP.PP.CD>; FAO Stat. Production. Crops and Livestocks. Value. Available at: <https://www.fao.org/faostat/en/#data/QCL> (accessed: 14.01.2026).

<sup>9</sup> UN Comtrade Statebase. Available at: <https://statbase.ru/datasets/trade/food-exports-share/?syear=last&firmreq=495954&sproc=sum&filter=&sort=> (accessed: 14.01.2026).

<sup>10</sup> World Bank Data. GDP (Current US\$). Available at: <https://data.worldbank.org/indicator/NV.IND.MANF.CD>; FAO Stat. Production. Crops and Livestocks. Value. Available at: <https://www.fao.org/faostat/en/#data/QCL> (accessed: 12.01.2026).

In this context, the repositioning of Russia's agricultural sector is of particular interest. In 1991, according to FAO estimates (in current dollars), the USSR ranked first in the global hierarchy (11.2% of gross agricultural production), but by 1992, the Russian Federation had dropped to fifth place (4.2%), and by 2023 it was in sixth place (1.9%)<sup>11</sup>. In this context, assessing the capacity of Russia's agribusiness to reverse this negative trend requires a detailed examination of current realities at both the macro and micro levels and holds practical significance.

### **The changing role of agriculture in the modern Russian economy**

In the post-reform period, Russia's agro-industrial complex demonstrated a remarkable duality. On the one hand, during the transition to a market economy, the sector suffered perhaps the greatest material and financial losses. For instance, between 1990 and 2000, the physical quantity of fixed assets in the national economy increased, at least slightly, by 5.4%, including a 5.8% rise in industry, while in agriculture it declined by 14.3%. Over the 1990s, Russia lost 50.9% of its cattle stock, 59% of its pig stock, and 47.6% of its poultry stock<sup>12</sup>. This was primarily the result of underinvestment in the agricultural sector. While the physical investment in fixed capital in Russia decreased by three quarters (in comparable prices, capital investment in the economy in 2000 was 25.8% of the 1990 level), agriculture's investment share dropped from 15.9 to 3.5% in 1995 and 2.6% in 2000<sup>13</sup>. The financial losses of the agricultural sector were even more significant. The net adjusted

financial result (profit minus loss) in agriculture in 1990 was 2.6 times lower than in industry, and in 2000 it was 42.7 times lower; in 1994 and 1996–1998, it was actually negative (with the share of loss-making enterprises skyrocketing from 10.0% in 1993 to 76.5–84.4% of all enterprises in the sector in 1996–1998)<sup>14</sup>, virtually eliminating the investment potential of commercial agricultural producers. In conditions of continuous redistribution of created added value for the benefit of other sectors, the decline in gross agricultural production (GAP) during the 1990s (38.1%) was less severe than in industry as a whole (45.7%)<sup>15</sup>. This can be explained by, among other things, a more gradual reduction in the average annual number of people employed in agriculture between 1990 and 2000 (by 14.0%, from 9.7 to 8.4 million people) compared to 14.6% in the national economy as a whole (from 75.3 to 64.3 million) and 36.2% (from 22.8 to 14.5 million) in deindustrialized industry<sup>16</sup>.

On the other hand, the agricultural sector demonstrated an immediate response to increased state support from the second half of the 2000s. During the implementation period (2011–2020) of the first edition of the Russian Federation's Food Security Doctrine of 2010<sup>17</sup>, when the share of agriculture in total consolidated budget expenditures consistently exceeded 1% (1.49% in 2010 and 1.0% in 2020; the maximum was 2.81% in 2000)<sup>18</sup>, gross agricultural production increased by 49.7%, compared to a 21.6% growth in gross industrial output and 11.8% GDP growth<sup>19</sup>. Even in 2021–

<sup>11</sup> FAO Stat. Production. Crops and Livestocks. Value. Available at: <https://www.fao.org/faostat/en/#data/QCL> (accessed: 14.01.2026).

<sup>12</sup> Calculated based on: Russian Statistical Yearbook (RSY) 2001: Statistical book. Moscow: Goskomstat, 2020. Pp. 305, 416.

<sup>13</sup> Calculated based on: RSY 2001. Pp. 569–570.

<sup>14</sup> Calculated based on: RSY 2001. Pp. 546–547.

<sup>15</sup> Calculated based on: RSY 2001. Pp. 337, 396.

<sup>16</sup> Calculated based on: RSY 2001. P. 141.

<sup>17</sup> On the approval of the Food Security Doctrine of the Russian Federation: Presidential Decree 120, dated January 30, 2010. Collection of legislation of the Russian Federation. 2010. No 5. Art. 502.

<sup>18</sup> RSY 2015. P. 538; RSY 2021. P. 513; RSY 2024. Pp. 499–500.

<sup>19</sup> Calculated based on data from the "Russian Statistical Yearbook" for the respective years.

2023, during the initial phase of implementing the second edition of the Food Security Doctrine of 2020<sup>20</sup>, when the average annual state support for agriculture, being 230 billion rubles (in constant 2012 prices), had declined by almost one-fifth compared to the 2012–2020 average of 282.9 billion rubles<sup>21</sup>, the growth in GAP exceeded GDP dynamics (10.8% versus 9.0%, respectively)<sup>22</sup>.

The implementation of the Food Security Doctrine activated intensive factors of agricultural growth: crop yields, milk yields, livestock weight gains, egg production, etc., started to rise. For example, between 2000 and 2023, the yield of grains and pulses doubled (from 15.6 to 31.0 quintals/ha), milk yield per cow more than doubled (from 2,502 to 5,322 kg/year), and the average annual egg production per laying hen in agricultural companies showed a 1.2-fold increase (from 264 to 313 eggs)<sup>23</sup>. Moreover, the declining trend in the use of mineral fertilizers was reversed. The share of sown fertilized area increased from 27% in 2000 to 72% in 2023, and the total amount of used mineral fertilizers grew from 1.4 to 3.5 million tons, though still being three times lower than in 1990 (9.9 million tons). It should also be acknowledged that a 2-fold increase in annual mineral fertilizer production from 12.2 to 25.9 million tons (in terms of 100% nutrient content) could not radically change the share of domestic agriculture in their consumption: 13.5% in 2023 compared to 11.5% in 2000<sup>24</sup>.

Unlike the progress in agricultural chemicalization, another challenge — a sharp decline in

the energy capacity of agriculture (from 240.0 million hp in 2000 to 92.3 million hp in 2023) — has not been resolved (the peak level of 419.7 million hp was reached in 1990)<sup>25</sup>. As a result, while in 1990 there were 10.7 tractors per 1,000 hectares of arable land in Russia, and 7.4 in 2000, by 2023 there were only 3<sup>26</sup>. For comparison, the U.S. has 26, France has 71, not to mention the greater average power and other technical specifications of Western equipment, which accounted for 60–65% of total sales in the Russian market until 2021 (Frolova, 2025, pp. 36–37). However, the root causes of this are obvious. The post-reform problems of domestic agricultural machinery manufacturing resulted in a manifold reduction in the production of tractors (from 214 thousand units in 1990 to 19.2 thousand in 2000 and 8.8 thousand in 2023), grain harvesters (from 65.7 thousand to 5.2 and 5.1 thousand over the same period), milking machines (from 30.7 thousand units to 4 and 2.7 thousand, respectively), etc.<sup>27</sup> It is difficult to expect significant demand for machinery when the share of loss-making agricultural enterprises rose from 3% of their total number in 1990 to 51% in 2000, and even in the climatically favorable year of 2023, every fourth enterprise (26.6%) in the agricultural sector remained loss-making<sup>28</sup>. The question of the “multi-speed” dynamics of prices for the sector’s output and input deserves separate consideration.

Since 1992, the dominant sector of the Russian economy has been services (52% of GDP), exceeding the share of goods (46.2% of GDP)<sup>29</sup>. Agriculture’s share in the gross value added (GVA) generated in Russia fell from 16.5% in 1990 to a minimum of 3.5% in 2012, after which it stabilized in the 4.0–4.3% range from the mid-2010s, but

<sup>20</sup> On the approval of the Food Security Doctrine of the Russian Federation (with amendments and additions): Presidential Decree 20, dated January 21, 2020. Collection of legislation of the Russian Federation. 2020. No 4. Art. 345.

<sup>21</sup> Calculated based on: Russian economy in 2023. Trends and prospects (Issue 45). Moscow: Gaidar Institute Press, 2024. 456 p. P. 197.

<sup>22</sup> Calculated based on: RSY 2022. P. 373; RSY 2023. P. 375; RSY 2024. Pp. 262, 362, 385.

<sup>23</sup> RSY 2024. P. 394; RSY 2001. P. 408.

<sup>24</sup> RSY 2001. P. 364, 405; RSY 2024. Pp. 375, 390.

<sup>25</sup> RSY 2001. P. 406; RSY 2024. P. 391.

<sup>26</sup> RSY 2001. P. 405; RSY 2024. P. 390.

<sup>27</sup> RSY 2001. P. 367; RSY 2024. P. 379.

<sup>28</sup> RSY 2001. P. 402; RSY 2024. P. 329.

<sup>29</sup> RSY 2001. P. 280.

in 2023 it returned to the levels of the early 2010s. Almost at the same time, industry's share, having declined from 38.0% of Russia's GVA in 1990 to a minimum of 25.6% in 2014, was around 30% in the early 2020s, but also returned to early 2010s levels in 2023. However, since the early 2000s, the combined contribution of agriculture and industry to Russia's GVA has remained above one-third, acting as an important factor in stable socio-economic development. For example, from 2011 to 2024, each drop in GAP compared to the previous year (in 2012, 2018, 2021, 2023, and 2024) was offset, in part, by growth in industrial output, ensuring positive total annual GDP growth<sup>30</sup>.

It is worth noting that the factor constraining even more significant synergy effect of the agricultural and industrial sectors is the imbalance in the distribution of the net adjusted financial result among Russian enterprises. In 1990, agriculture's share in Russia's GVA almost matched its share in the national net adjusted financial result. By 2000, however, there had been a multiple gap, persisting into 2020s, with agriculture's contribution to GVA being 1.5–2.5 times higher than the share of net profit remaining at the disposal of farmers. This means, on the one hand, a redistribution of this profit in favor of other sectors, and, on the other hand, that agricultural growth is being driven by investments from previous years, which obviously cannot be stable: the reserves are running down. For instance, between 2021 and 2023 alone, the net adjusted financial result remaining in the agricultural sector dropped (even in current prices) from 797.0 to 654.0 billion rubles, or by one-fifth<sup>31</sup>.

Growing strategic importance of agribusiness in ensuring not only food security but national security

as a whole means that building and strengthening inter-sectoral links within agribusiness and with related industries becomes a crucial condition for the stability and efficiency of the entire economic complex of Russia and its regions (Ushachev et al., 2025; Patrakova, Kopytova, 2025). In this context, agriculture is considered not only as a supplier of food and resources for many industries but also as a catalyst for and consumer of critical high-tech solutions and breakthrough industrial technologies capable of mitigating many contemporary global challenges.

Several preconditions allow Russian agribusiness performing this mission. Natural environment includes the invaluable reserve of unused agricultural land (abandoned, converted to other land use categories, etc.). On January 1, 1992, Russia entered the reform period with 643.6 million hectares of agricultural land<sup>32</sup>, but by 2024 this area had experienced a 2.6-fold decrease and was 244 million hectares due to changes in the economic structure, productivity growth, etc. It is essential that unused agricultural land of an adequate quality – 31.6 million hectares, including 16.9 million hectares of arable land as of January 1, 2024 (Altukhov et al., 2025, p. 4) – is not necessarily a source of increased production and export of agricultural raw materials, food, and related products. Of course, this is crucial<sup>33</sup>, but even more important is the fact that Russian soils (and forests, mineral resources, etc.) represent the world's largest carbon reservoir – the “scarcest element of life”. Their rational use (applying no-till farming, replacing mosses on wastelands and fallow lands with cereals that will feed rich fauna and

<sup>32</sup> RSY 1998. P. 41.

<sup>33</sup> Indicatively, Russian agribusiness has achieved a sustained surplus of food exports over imports since 2021 (Kheyfets, Chernova, 2024, p. 167), turning into a “high-tech driver of Russia's export revenue growth”. See: Kalyamina L. (2022). Agribusiness is capable of significantly changing the structure of Russian exports in the next 15–20 years. *Ekspert*, 46, 50.

<sup>30</sup> Calculated based on: RSY 2001. Pp. 282, 546; RSY 2002. P. 288; RSY 2015. Pp. 282, 559; RSY 2022. Pp. 333–334; RSY 2024. Pp. 268–269, 327–328.

<sup>31</sup> RSY 2024. P. 327.

could serve as an alternative to hydrocarbon fuels, restoring forest shelterbelts, pasture biodiversity, etc.) will not only contribute to achieving carbon neutrality in the Russian economy – agriculture accounts for 5.7% of greenhouse gas emissions in CO<sub>2</sub> equivalent in Russia (Ryabov et al., 2024, p. 34) – but also to accelerating the development of ecosystems that will become “a reserve of proteins and fertile soils”. At the same time, Russia will be capable of “changing the albedo at will”<sup>34</sup> on the world’s largest territory, thereby contributing to easing the “environmental tension” stoked by the Western community in recent decades. Western plans to develop climate management technologies have, in fact, proven unfeasible. Experts increasingly agree that “the future climate and food security of the world depend most heavily on Russia today”<sup>35</sup>.

Furthermore, the fundamental significance of Russia’s modern agribusiness is reinforced by the consistent implementation of quality growth strategies, transforming the sector into a driver of national economic development. A case in point is labor productivity. Russian average considering purchasing power parity per person employed was 80 thousand dollars in 2023 prices (141 thousand dollars in Western Europe, 211 thousand dollars in the U.S.), while in Russia’s agriculture and forestry (as well as in the food industry) it was 34 thousand dollars (compared to 24 thousand dollars in mechanical engineering), equal to the results of Eastern Europe but with a 2-fold lag behind Western Europe (74 thousand dollars) and a 5-fold lag behind the U.S. (176 thousand dollars)<sup>36</sup>. This achieved level, first, indicates an

“employment reserve” that could be used in other economic sectors if labor productivity is increased. For example, in 2021, agriculture employed 6.0% of the Russian workforce, compared to 3.1% in Japan, 1.5% in the U.S., and 1.2% in Germany (Uzyakova, Shirov, 2024, p. 9), and most of the key targets and indicators set in the Russian Food Security Doctrine were met or exceeded by the early 2020s (Dolgushkin, 2025). Second, it highlights the potential for growth in added value and productivity of agriculture. Notably, between 2001 and 2020, the average annual growth rate of labor productivity in agriculture was 5.9%, only lagging behind financial and insurance services (7.5%), telecommunications (7.0%), and medium-tech manufacturing (6.7%), raising the sector’s average labor productivity from 42.7% to 74.4% of the national average (Uzyakova, Shirov, 2024, p. 10). We propose to examine the processes unfolding in Russian agribusiness in recent years in more detail at the micro-level from the perspective of specific agricultural and food-producing enterprises in a selected region. The object of study is the Ural region, comprising 7 constituent entities. The principal methodological tool is the ranking of agribusiness enterprises in the Urals.

#### **Methodology for rating assessment of structural transformation in Russian agribusiness: The Urals case**

In 2015, the analytical center of the “Expert” magazine first presented a rating of the 50 largest agro-industrial companies in Russia based on 2014 results<sup>37</sup>. Subsequently, the preparation of special annual reports “Rating of Agribusiness Companies in Russia” became a tradition, interrupted in 2023 – for well-known reasons, primarily due to the need for Russian business leaders to protect their original reporting. In the analytical commentary

<sup>34</sup> Zimov S. (2024). On Monday, in 100 years, it will be... *Rossiiskaya gazeta* (July 2), 142, 9.

<sup>35</sup> Zimov S. (2023). Nature is immortal. But man? *Rossiiskaya gazeta* (October 11), 229, 11.

<sup>36</sup> Calculations by the Center for Macroeconomic Analysis and Short-term Forecasting based on the ratio of value added in USD to PPP per person employed. See: On labor productivity in sectors of the Russian economy compared to other countries. Moscow: CMASF, 2025. P. 6.

<sup>37</sup> Ermak S. (2015). Food optimism. *Ekspert*, 41, 72–80.

accompanying the first ratings, experts consistently noted turning points in the development of Russian agribusiness: rapid growth since 2006 based on modernization, production diversification and active investment, a new boost to the development in 2014 due to the introduction of Russian food counter-sanctions against unfriendly countries, and the final stage of import substitution for most critical positions, with a gradual transition to an export-oriented development model<sup>38</sup>.

The publication of federal ratings was interrupted on the threshold of a new stage in Russia's agribusiness development, when its main segments were approaching market saturation, structural transformations – the phenomenon of vertical integration (“from field to market”, “from test tube to consumer” strategies), increasing investment in infrastructure to gain full control over technological cycles and optimize costs, etc. – had captured virtually all key subsectors, and the Russian food market was becoming more and more integrated into the global market. However, the new reality – the combination of the next agro-technological wave and the anti-Russian sanctions spiral that began in 2014, as well as investment contraction (in 2019, 6.4 kopeks of net investment accounted for 1 ruble of GAP, in 2023 – 4.4 kopecks) (Klimentova, Dubovitskii, 2025, p. 15) due to the tightening of Central Bank's monetary policy, rising transaction costs for agricultural producers (e.g., grain production costs in Russia increased by one-third in 2024<sup>39</sup>), and the continuous price disparity between agricultural products and inputs such as machinery, fuel, fertilizers, etc. (in 2021, 1 thousand tons of grain was to be sold to buy one combine harvester; in 2024, 2 thousand tons was to be

sold<sup>40</sup>) – could not help affecting agribusiness development. All of this underscores the importance of identifying key trends in the development of Russian agribusiness by the mid-2020s and assessing its contribution to the stability of the Russian economy under current conditions.

When preparing the first ratings of leading Russian agribusiness representatives, the compilers pursued three main goals: identifying main development trends in agriculture and its sectors, defining key problems agriculture faced in the corresponding period, promoting central market players. In a competitive market, to enhance marketability and improve non-price competitive positions, leaders benefit from external, independent confirmation of their leadership. In our methodological approach, we tried to keep to these three objectives.

The information base for our ratings of Urals' agribusiness was open data from the “System of Professional Market and Company Analysis” (SPARK)<sup>41</sup>. The primary criterion for ranking enterprises was sales revenue in the year under review, excluding VAT and excise taxes. Specialists at “Expert RA” carried out a lot of surveys to choose among candidates for their ratings. However, in our analysis the survey (interview) method was not used. Instead, the problem areas and growth points identified during the preparation of the ratings were subsequently verified using open national and regional statistics.

The rating format suggested ranking enterprises in descending order of sales revenue (excluding VAT and excise taxes), while also recording the company's position in the previous year. For each

<sup>38</sup> Ermak S., Pechenkina T. (2016). Greenhouse effect. *Ekspert*, 40, 44–51; Labykin A. (2017). Suffocating abundance. *Ekspert*, 40, 63–66; etc.

<sup>39</sup> Karabut T. (2025). Spare shoots. *Rossiiskaya gazeta* (February 18), 35, 5.

<sup>40</sup> Pichurina V. (2025). Patched combine harvesters. *Rossiiskaya gazeta* (Appendix “Ural Region”. February 27), 43, 13.

<sup>41</sup> Among several search systems and counterparty verification services operating in the Russian Federation (“List-Org”, “Saby”, “Chekko”), the authors selected the SPARK database as best meeting the objectives of this study.



enterprise, its name in 2024, organizational form, registered address, industry affiliation (determined by economic activity) were indicated. To characterize the qualitative parameters of the Ural agriculture sector, it was additionally structured by representation in the rating of large, medium, and small enterprises for a given year. Also, profitability and labor productivity were calculated. A significant limitation was the impossibility of conducting a comprehensive ranking of the entire pool of enterprises (585) by labor productivity. In the SPARK database, the indicator “average headcount” at the end of the period (December 31 in annual reports) is often given as a range, e.g., 0–5, 16–50, 501–1000 people (or not updated due to companies failing to provide data), making it impossible to calculate the denominator of the corresponding fraction. Additionally, data on average headcount is not cumulated in the SPARK database. Nevertheless, being aware of the importance of labor productivity values, we attempted a preliminary assessment using available data for 2023–2024 to establish a baseline for future comparative analysis in the ongoing development of this topic.

In total, for each year from 2018 to 2024, we compiled seven ratings: the top 400 leaders of the Urals' agribusiness by sales revenue (including agricultural, food, compound feed, and elevator enterprises), the top 100 leaders in agriculture and the top 100 leaders in the food industry (by sales), the top 100 leaders by net profit and the top 100 leaders by profitability, then a problem area rating (50 agricultural and food industry enterprises with the largest net losses from business activities for the year), and a rating of the top 100 leaders by labor productivity (only for 2023 and 2024)<sup>42</sup>. Profitability

was calculated as the ratio of net profit (line 2400 of the statement of financial results) to sales revenue (line 2110) and expressed as a percentage, while labor productivity as the ratio of annual sales revenue to the average number of employees. Due to the absence of data on export deliveries and agricultural land holdings in the SPARK database, it was not possible to calculate export intensity or “land productivity” (revenue per 100 hectares of arable land).

Our sample was set to the maximum possible “depth”, including enterprises with publicly available financial statements and revenue over 400 million rubles in 2024 – thus covering not only large and medium-sized enterprises but also leaders of small business. To illustrate the severity of our preliminary work, we note that our top 400 Urals' agribusiness rating for 2024 includes 10 “heavyweights” – the agroholdings “Milkom” and “Makfa”, “Elevator” (Kumertau), Chishminsky oil extraction plant, “Russalt” (Orenburg), Udmurtia poultry farm (Glazov), Kurgan meat processing plant “Standart”, “Orel” (Yekaterinburg), poultry farms “Varaksino” (Republic of Udmurtia) and “Chelyabinskaya” (Kopeysk) – with annual revenues ranging from 6.6 to 53.7 billion rubles, which, for unknown reasons, were not included in the most recent multi-sectoral rating of the 400 largest companies in the Urals and Western Siberia (Tyumen Region, Khanty-Mansi Autonomous Area, Yamal-Nenets Autonomous Area) prepared in 2025 by the analytical center “Ekspert”<sup>43</sup>. Furthermore, we considered it necessary to include in our ratings six enterprises that have been re-registered in Moscow (and in one case in the Republic of Tatarstan) in recent years but continue their operations in the Urals: “Makfa”, Kurgan meat processing plant “Standart”, poultry farm “Chelyabinskaya”, agricultural enterprise

<sup>42</sup> All the mentioned ratings and the 55 calculation tables supporting them are available in the cloud service. Available at: [https://drive.google.com/drive/folders/1C\\_zPk5ZKYJ6amej6EJ6MWy8vfHcEs2jK?usp=drive\\_link](https://drive.google.com/drive/folders/1C_zPk5ZKYJ6amej6EJ6MWy8vfHcEs2jK?usp=drive_link) (accessed: 17.04.2026).

<sup>43</sup> 400 largest companies in the Urals and Western Siberia. Ekspert-Ural. 2025. No. 11. Pp. 42–58.

“Mir” (Republic of Udmurtia), “Mozhgasyr”, and greenhouse farm “ATENA” (Orenburg)<sup>44</sup>. Some enterprises could not be included due to the absence of data in SPARK or technical reasons – liquidation, reorganization, change of economic activity, etc. However, this is a common challenge for all compilers of ratings.

The representativeness of the prepared ratings is confirmed by the following data. The revenue of the agricultural enterprises included in our ratings rose from 30.3% of the Urals’ GAP in 2018 to 36.2% in 2024 (ranging from 17.9% of GAP in the Kurgan Region to 62.4% in the Chelyabinsk Region). The evidence is even stronger for the food industry. Enterprises from 15 subsectors of the Urals food industry, consolidated in our ratings, increased their share in the sector’s total sales from 59.9% to 72.2% between 2018 and 2024. The highest concentration of industrial production in the Urals in 2024 was in the Republic of Udmurtia, where 99.5% of total sales of food products and beverages were provided by 21 enterprises; in the Orenburg Region – 84.2% (23 enterprises); and in the Perm Territory – 82.6% (21 industry leaders)<sup>45</sup>. It is clear that the Urals’ agribusiness extends further than its 400 leading representatives, but the analysis of trends within this group can help identify the core challenges of the current period and possible directions for future development.

Finally, it should be noted that the method of expert rating of enterprises in the agro-industrial sector is used not only in Russian but also in international research practice. For example,

European economists pay considerable attention to ranking different types of farms (viticulture, grain farming, horticulture, etc.) based on their level of investment activity to identify the most underinvested agricultural sectors (Ivanović et al., 2025). This method is also used to compare the profitability levels of leading agricultural enterprises in different EU countries, such as the Czech Republic, Hungary, and Poland, to identify possible growth points (Davidova et al., 2025). Expert rating based on contribution to total regional consumption is employed by EU specialists to identify enterprises of the “zone of necessary organizations” that ensure economic (food, financial, technological, etc.) security within the studied cluster (Simdiakin et al., 2021). In the U.S., the application of this method is often more practical. Research is typically commissioned by the U.S. Department of Agriculture to, for example, rank farms by business form and/or size of agricultural land (MacDonald et al., 2015), concentration levels in different states (Lowder et al., 2016), etc. Based on this, the need for state support for agribusiness and its required volume is determined (Manono, 2025).

It is easy to see that our approach conceptually builds on the methodological platform of “rating construction” common to Russian and contemporary foreign practice, but our method is distinguished by its comprehensiveness (as we capture not just one or two but a set of key indicators) and greater depth (time series data over the 7 years, rather than the standard comparison of the reporting and previous year). The use of analytical data processing models in Excel and Power BI allowed us to automatically aggregate 55 calculation tables and generate seven types of ratings with flexible customization of the ranked indicators. These tools enable retrospective monitoring of industry and spatial dynamics of agricultural production, construction of new ratings based on the consolidated database (e.g., leading activities

<sup>44</sup> The consequences of the loss of formal registration ties with the region of production activity for its economy, in the context of enterprises considered, were not investigated in this work. Their inclusion in our ratings was based on the place of their original registration.

<sup>45</sup> Calculated based on the top 400 Ural agriculture companies in 2018–2024. Available at: [https://drive.google.com/drive/folders/1C\\_zPk5ZKYJ6amej6EJ6MWy8vfHcEs2jK?usp=drive\\_link](https://drive.google.com/drive/folders/1C_zPk5ZKYJ6amej6EJ6MWy8vfHcEs2jK?usp=drive_link) (accessed: 17.04.2026) and Ural regional statistics of 2024.

of the Urals or individual constituent entities' agribusiness, identification of product clusters, etc.), and aggregation of new ratings with the extension of time series to an increased depth.

### **Main “quantitative” results of the Urals' agribusiness rating assessment**

We highlight the following key “quantitative” findings:

First: the ratings have become “heavier”. Between 2018 and 2024, the total revenue of the top 400 leaders of the Urals' agribusiness increased from 531.9 to 1,126.8 billion rubles (2.1-fold), including agricultural enterprises from 187.4 to 348.2 billion rubles (1.86-fold) and food industry enterprises from 321.1 to 732.5 billion rubles (2.28-fold). The faster growth of food production was driven by several factors. On the one hand, the quantitative composition of industries in the ratings changed. While the rating for 2018 (R-2018) included 189 agricultural and 189 processing enterprises, in R-2024 the ratio shifted to 173:206 in favor of the food industry. On the other hand, the entry threshold for the ratings increased from 133.9 to 543.0 million rubles (4.1-fold). For agricultural enterprises, the average revenue per enterprise in the top 400 rose from 991.4 million to 2.0 billion rubles, for food industry enterprises from 1.7 to 3.6 billion rubles, the overall average increase was from 1.3 to 2.8 billion rubles.

Second: the stability of the agro-industrial elite. In R-2024, the renewal of the enterprise composition compared to R-2018 was only 9.2% (37 newcomers). The agricultural sector contributed 14 new enterprises, while the food industry contributed 20. However, in some cases in the processing sector, nominally new enterprises were recorded. For example, ZAO “Sarapul'skii myasokombinat” and OAO “Sibaiskii myasokombinat”, after bankruptcy and liquidation in 2012, resumed operations on their former

production sites as OOO enterprises in 2021 and 2022, respectively. The renewal of the ranks in the top 100 of the Urals' agribusiness becomes more intensive with the implementation of new investment projects, changes in market strategy, and shifts in state agricultural policy, but mainly through changes in ratings' “echelons”. For instance, in R-2024, the composition of the first 100 enterprises compared to R-2018 changed by 26 positions, but only 5 were occupied by newcomers.

Third: persisting sectoral structure of the Urals' agribusiness. In 2018, the leading sectors of the Urals food industry were dairy – 44 enterprises, meat processing – 35, and bakery – 26. In R-2024, the representation of the dairy and bakery industries was maintained, with the number of meat processing enterprises increasing to 47. In agriculture, the number of crop farming enterprises in the ratings for 2018 and 2024 remained unchanged at 65; livestock farming decreased from 50 to 45, but poultry farming increased almost correspondingly from 35 to 38. In terms of sales, the leading sectors of the Urals' agribusiness in 2024 remained dairy production – 22.35% of total sales of the 400 leading enterprises (18.59% in R-2018), poultry farming – 13.31% (16.07%), oil and fat industry – 9.55% (in R-2018, the third position with 10.24% was held by livestock).

Fourth: persisting spatial structure of the Urals' agribusiness. The top three leaders in agricultural production (Republic of Bashkortostan, Orenburg Region, Chelyabinsk Region) remained unchanged between 2018 (accounting for 62.27% of Urals GAP) and 2024 (61.79%), though the Orenburg Region moved into second place (21.30%) ahead of the Southern Urals (14.34%). However, this can be considered as status quo restoration. In 1992, the Republic of Bashkortostan (23.32%) and the Orenburg Region (20.82%), together with the Sverdlovsk Region (15.55%), formed the trio

of leaders in agricultural production<sup>46</sup>, with the Chelyabinsk Region taking third place in 2005, replacing the Middle Urals<sup>47</sup>. The situation in the processing of agricultural raw materials in the Urals also remained unchanged, with the Republic of Bashkortostan, the Sverdlovsk Region and the Chelyabinsk Region consistently accounting for two-thirds of food and beverage production in 2018 (65.35%) and 2024 (68.79%), with the Sverdlovsk Region maintaining its absolute leadership since 2005 (increasing its share in the Urals' total from 22.08% in 2005 to 25.81% in 2024). In fact, since the early 1990s, the leading positions of these regions have only strengthened. In 1992, they accounted for 58.71% of total Ural food production, with the Republic of Bashkortostan leading (26.35%), the Sverdlovsk Region second (19.36%), and the Perm Territory third (14.53%)<sup>48</sup>.

Fifth: the continued decline in the Urals' share in both Russia's GAP – from 11.56 to 10.81% in 2018–2024 (with an absolute maximum of 14.9% in 1999) (Maltsev, Chichilimov, 2025, p. 57) – and in the production of food products and beverages – from 7.90 to 7.13% (peak levels of 10.4%, including 1.9% from flour, cereals, and compound feed industries, were recorded in 1998<sup>49</sup>). Over the same period, the share of the food industry in the structure of manufacturing industries in the Urals slightly increased – from 8.03 to 8.19% – but it happened in the context of the region's declining contribution to national processed product output, from 15.0% to 14.18%. Over these 7 years, only agricultural enterprises in the Orenburg Region (from 2.02 to 2.30%) and food industry enterprises in the Sverdlovsk Region (from 1.83 to 1.84%) managed

to increase their share of the total national output. A broadside approach reveals that over 35 years of reforms three Ural regions – the Perm Territory, the Kurgan Region and the Sverdlovsk Region – have not surpassed their own 1990 GAP levels, and the Orenburg Region only reached this level in 2022<sup>50</sup>. Notably, the processing of agricultural raw materials in the Urals, as in Russia as a whole, has grown faster than its production in recent years, but this comparative acceleration in the Urals (1.22-fold in 2018–2024) is not so pronounced as at the national level (1.2-fold), contributing to the region's loss of positions, especially in the production of higher value-added products.

#### **Key problem areas of the Urals' agribusiness identified by the rating**

First: in the environment where market majors' dominance persists, the positions of medium and small business are weakening. The top 100 leaders of the Urals' agribusiness consistently account for over 70% of total sales of the rated enterprises, with a maximum of 73.08% in 2018 and a minimum of 70.03% in 2024. At the same time, the first decile (top 10) improved its position in the ratings from 22.25% in 2018 to 23.81% in 2024. Notably, two-thirds of the top ten leaders remained unchanged throughout the period under review, with the remaining one-third rotating (reverse substitution) with enterprises from the second decile. The leaders of agricultural production in the Urals in 2024 were: "Agrofirma Ariant" (16.0 billion rubles), "Turbaslinskie broiler" (10.5 billion rubles), and "Bashkirkaya myasnaya kompaniya" (10.4 billion rubles). Their integrated production processes make them modern high-tech industrial complexes. In terms of 2024 revenue, they are comparable to

<sup>46</sup> Calculated based on: Regions of Russia. 1999. Vol. 2. Pp. 440–441.

<sup>47</sup> Calculated based on: Regions of Russia. Socio-economic indicators. 2006. P. 529.

<sup>48</sup> Calculated based on: RSY 1992. Pp. 91, 183.

<sup>49</sup> Calculated based on: Regions of Russia. 1999. Vol. 2. Pp. 358–359, 363–364.

<sup>50</sup> Comparative dynamics of agricultural production in the Russian Federation and Ural regions in the post-reform period are provided in the appendices. Available at: [https://drive.google.com/drive/folders/1C\\_zPk5ZKYJ6amej6EJ6MWy8vfHcEs-2jK?usp=drive\\_link](https://drive.google.com/drive/folders/1C_zPk5ZKYJ6amej6EJ6MWy8vfHcEs-2jK?usp=drive_link) (accessed: 17.04.2026).

well-known Ural industrial enterprises such as the Kyshtym copper electrolyte plant (17.0 billion rubles), the Tuymazinsky plant of concrete mixers (13.1 billion rubles), and the Novotroitsk plant of chromium compounds (10.7 billion rubles). The absolute leaders of the Urals' agribusiness in 2024 – “Milkom”, Izhevsk (53.7 billion rubles), Fat plant, Yekaterinburg (46.2 billion rubles), and Yugovskoy dairy plant, the Perm Territory (29.8 billion rubles). Their annual sales revenue could easily allow them entering the Russian top 50 largest mechanical engineering companies for the same year<sup>51</sup>.

This context is less favorable for medium-sized business and its market position. Formally, between 2018 and 2024, the number of large and medium-sized enterprises<sup>52</sup> in the top 400 Urals' agribusiness grew almost equally – by 68 (from 64 to 132) and 66 (from 91 to 157), respectively. In percentage terms, the share of medium-sized business even nearly doubled, from 22.7% to 39.3% of the total rating composition. However, regarding the percentage of total sales, the share of medium-sized business has been declining year after year – from 20.56% in R-2018 to 16.35% in R-2023, with only a slight improvement to 17.0% in 2024. The largest number of medium-sized enterprises in 2024 were located in the Sverdlovsk Region – 39 (25 in 2018), the Chelyabinsk Region – 29 (19), and the Republic of Bashkortostan – 28 (15). In terms of sectors, medium-sized business is concentrated in crop production (29 enterprises in R-2024, 13 in R-2018), meat processing (18 and 13), and the dairy industry (14 and 16). Between

2018 and 2024, the total number of medium-sized enterprises in agriculture grew from 30 to 66, in the food industry from 60 to 80, in the compound feed industry from 1 to 9, and two elevators were also included in the list of medium-sized enterprises in 2024. This means that the entire Ural's agribusiness has only 157 medium-sized enterprises, which are supposed to be the backbone of any economy. The situation is exacerbated by small business crisis – the source meant to replenish medium-sized business. It turned out that between 2018 and 2024 small enterprises experienced 2.2-fold decrease in the ratings (from 245 to 111), and their share in the total revenue of the top 400 Urals' agribusiness fell by 2.55-fold (from 16.78% to 6.57%), contradicting the conclusion of many experts that “small farming enterprises and cooperatives have been growing very fast since 2019” (Sokolova, Makarova, 2025, p. 8).

Second: patchiness of agribusiness profitability. The total net profit of the top 400 leaders of the Urals' agribusiness increased from 31.3 to 86.4 billion rubles between 2018 and 2024, or by a factor of 2.76, thus outpacing the growth in their annual sales over the same period. It is noteworthy that in 2018, with an equal number of enterprises in the rating (189 each), the food industry accounted for 17.1 billion rubles and agriculture for 13.4 billion rubles of net profit, while in 2024, 173 agricultural units generated 43.3 billion rubles of net profit, being 2.3 billion rubles more than the 206 enterprises in the Urals' food industries. Excluding “Russol” with its exceptionally high net profit (2.0 billion rubles in 2018, 4.8 billion in 2024), the sector with highest average net profit per enterprise throughout 2018–2024 (except for the negative result in 2022) was the oil and fat industry (ranging from 190.6 million rubles in 2018 to 596.0 million rubles in 2024). Among agricultural sectors, livestock farms ranked fourth in absolute terms in 2018 (151.3 million rubles), behind the grain milling industry (third with 154.3 million

<sup>51</sup> Remizov M., Ogorodnikov E. (2025). Who builds machines in Russia? *Monokl'*, 49, 44–45.

<sup>52</sup> Enterprise classification (large – medium – small) was performed in accordance with the provisions of Federal Law (On the development of small and medium-sized enterprises in the Russian Federation: Federal Law 209-FZ, dated July 24, 2007) and Government Resolution (On the maximum revenue limits from the sale of goods (works, services) for each category of small and medium-sized enterprises: RF Government Resolution 702, dated July 13, 2015).

rubles), while in 2024, poultry farms ranked third in this micro-rating (471.4 million rubles), having ended 2018 with a net loss of 100 thousand rubles per farm. However, even this brief selection of the most profitable enterprises in the Urals' agribusiness reveals two points. On the one hand, only the 2023–2024 period had no negative values across sectors in terms of annual net profit per enterprise. On the other hand, enterprises in six sectors (including meat processing, alcoholic beverages, compound feed) had average net profits per enterprise in 2024 of less than 100 million rubles (in 2021, this was the case for 12 sectors; in 2022, for 10). With such low net profits, it is extremely challenging to implement any major innovative modernization projects. The specific nature of Russian business is well known: more than half of investments in fixed capital is funded by enterprises (53.8% in 2023, compared to 9.8% from bank loans<sup>53</sup>), but this makes the emerging trend even more concerning.

Third: extremely slow profitability growth, which depresses the sector's investment capacity. The average ratio of net profit to sales revenue for the top 400 Urals' agribusiness enterprises in 2024 was 7.7% (7.6% for the first hundred) compared to 5.9% (5.7%) in 2018<sup>54</sup>. In 2022, this indicator fell to 5.4% (4.3%). In agricultural production in 2024, profitability ranged from 10.3% (livestock) to 15.5% (crop production), which was below the Russian average – 18.4% (including subsidies) and 15.4% (excluding subsidies)<sup>55</sup>. The situation in the processing sector is not better. Excluding the outlier “Russol” (35.5%), profitability in the

processing industries ranged from 0.7% in the alcoholic beverage industry and 2.1% in meat processing to 9.0% in the bakery industry and 10.5% in the production of seasonings and spices. For this reason, in the separate rating of the top 100 profitable Urals' agribusiness enterprises, only 13 agricultural enterprises, one salt and one meat processing plants from the top 400 in 2024 were included.

#### **Possible growth points for the Urals' agribusiness**

First: the main resource for agricultural production development is labor productivity. For 25 enterprises included in top 400 in 2024, there were no average headcount data as of December 31, 2024 (among the top hundred only “Milkom”, the absolute leader, had missing data). For the remaining 375 enterprises, the average labor productivity was 8.98 million rubles (7.78 million rubles in 2023). By sector, the highest labor productivity in 2024 was in tea and coffee production – 45.83 million rubles, the oil and fat industry – 41.28 million rubles, processing and preserving of fish, crustaceans, and mollusks – 34.1 million rubles. Below the average rating level were the confectionery industry – 6.82 million rubles, livestock farming – 5.45 million rubles, and poultry farming – 6.0 million rubles. Unfortunately, it is impossible to compare these figures with national averages due to their unavailability. However, analytical commentaries to early top 50 ratings of the federal agribusiness give some approximate values. In the first 2014 rating, the productivity leader was the vertically integrated holding “Agro-Belgor'e” – 10.5 million rubles of annual sales per employee<sup>56</sup>. In the federal 2016 rating, this company, remaining the leader by this indicator, showed a nearly similar result – 9.85 million rubles<sup>57</sup>. Subsequently, the Analytical Center “Ekspert” did not reveal this parameter.

<sup>53</sup> RSY 2024. P. 294.

<sup>54</sup> For comparison: the leader of the historically first rating “Top 50 Russian Mechanical Engineering Enterprises” for 2024 – “Rostekh” – ended the year with a revenue profitability of 3.64%, while the third-ranked “Transmashkholding” had 5.5%. See: Remizov M., Ogorodnikov E. (2025). Who builds machines in Russia? *Monokl'*, 49, 42.

<sup>55</sup> RF Government Resolution 1843-r, dated July 10, 2025. Collection of Legislation of the Russian Federation. 2025. No. 28. Art. 4044.

<sup>56</sup> Ermak S. (2015). Food optimism. *Ekspert*, 41, 82.

<sup>57</sup> Ermak S., Pechenkina T. (2017). To fertilize the AIC. *Ekspert*, 41, 69.

Second: exploitation of new niches in the region's market. Between 2018 and 2024, the largest growth in sales per food industry enterprise was recorded for activities such as “tea and coffee production” – an 8.45-fold increase, “other ways of processing and preserving fruits and vegetables” – a 4.2-fold increase, and “processing and preserving of fish, crustaceans, and mollusks” – a 3.32-fold increase. In agriculture, enterprises in the top 400 specializing in greenhouse vegetables, mushrooms, and truffles increased their revenue from 7.0 to 20.3 billion rubles (2.9-fold), while all crop farming structures showed a 2.38-fold increase. Even more successful were floriculture enterprises. In R-2018, only two such Udmurtia's enterprises were included – “Dekorativno-tsvetochnye kul'tury” (Izhevsk) and “Tsvey Udmurtii” (Sarapul) – with rather modest results (657.2 million rubles in total sales). In R-2024, the number of floriculture farms doubled, and their total sales revenue showed a 5.23-fold increase to 3.4 billion rubles. The Republic of Udmurtia is the leader in this field in the Urals, but floriculture is also actively developed in other regions, primarily the Chelyabinsk and Sverdlovsk regions.

Third: development of production with possibly higher added value. For example, the Ural dairy complex, possessing (as of 2023) 14.56% of Russia's cattle herd and producing 15.48% of the country's milk<sup>58</sup>, which some experts call Russia's “second oil”<sup>59</sup>, is capable of producing highly marketable deep-processed goods, particularly whey and casein proteins – key ingredients in infant formula, sports, therapeutic, and specialized nutrition. The Ural grain sub-complex (8.19% of Russia's grain harvest in 2023), despite the challenging climatic

conditions in some areas (the Sverdlovsk Region, Perm Territory, and the Republic of Udmurtia are in the non-black earth zone), is the foundation of a powerful flour-and-cereals cluster (14.09% of national flour production<sup>60</sup>), which has barely entered the deep processing of grains and pulses<sup>61</sup>. For example, at the beginning of 2025, Russia had only two plants producing lysine (an amino acid that significantly improves feed conversion in livestock, poultry, etc.), covering two-thirds of domestic demand<sup>62</sup>. One of them, “Aminosib” (120 thousand tons of annual wheat processing capacity<sup>63</sup>), is located in the Tyumen Region, bordering the Kurgan Region, which has almost identical climatic conditions and grain production volumes (these two regions harvested 1.5 million tons of grain each in 2023 and ranked 29th and 30th in Russia's grain rating<sup>64</sup>). Moreover, amino acids can be considered as an intermediate stage of grain processing, and it is possible to move toward higher value-added segments (and still unoccupied niches) – modified starches, biodegradable plastics, etc., with maximum added value.

<sup>60</sup> Calculated based on: Regions of Russia. Socio-economic indicators. 2024. Pp. 654–655; Ural regional statistics.

<sup>61</sup> For comparison: according to the Ministry of Agriculture, Russia exported 44 million tons of wheat in 2024 (compared to 54.1 million tons in 2023), retaining first place in the world (21%), while on the relatively small global flour market (16 million tons), it captured only 7.5% (shipping 1.2 million tons out of 11.2 million tons of total production). See: Wheat under pressure. Results of the 2024/2025 grain season and outlook for the new agricultural year. Oilworld.ru. 24.07.2025. Available at: <https://www.oilworld.ru/news/wheat/360991> (accessed: 14.12.2025); Komarov V. (2025). Millers shipped to Afghanistan. Kommersant (February 20), 31, 6.

<sup>62</sup> Labykin A. (2022). “Expanding and deepening” grain processing turned out to be challenging. Ekspert, 46, 60, 63.

<sup>63</sup> Tyumen's “Aminosib” increases lysine production by a third. Ekspert-Ural. 2024. November 5. Available at: <https://expert-ural.com/news/tyumenskiy-aminosib-na-tret-uvlichivaet-proizvodstvo-lizina.html> (accessed: 14.12.2025).

<sup>64</sup> Regions of Russia. Socio-economic indicators. 2006. P. 655.

<sup>58</sup> Calculated based on: Regions of Russia. Socio-economic indicators. 2024. Pp. 676–677, 684–685.

<sup>59</sup> Krasnova V., Matveeva A. (2024). Investments of a steel magnate: Milk, purees, and porridge. Monokl', 41, 29.

## Conclusion

The analysis has shown that agribusiness has the potential for growth even in Russian major industrial centers. However, it requires complementary efforts from the state, regions, and business. In this regard, several points raise concerns.

First, funding for four key state programs of the Ministry of Agriculture of the Russian Federation is declining<sup>65</sup> – from 665.0 billion rubles in 2024<sup>66</sup> to 565.0 billion rubles in 2025 and 540.4 billion rubles in 2026<sup>67</sup>. This trend is also evident at the regional level. For example, the Kurgan Region's funding for priority areas of small agribusiness, which plays a significant role in the region's agriculture, was 363 million rubles in 2024, 283 million in 2025, and 222.2 million rubles are planned for 2026<sup>68</sup>. In the context of declining profitability in agricultural production (from 28.4% including subsidies in 2021<sup>69</sup> to 18.4% in 2024<sup>70</sup>), only a slight growth in the physical volume of investments in fixed capital in the sector (1.7% over the years of the basic state program 2012–2024, compared to 33.1% total growth in the national economy over the same period<sup>71</sup>), challenges in a number of export

markets (direct and indirect sanctions, the ruble which strengthened 25% against the dollar in 2025<sup>72</sup>, etc.), the decreasing state support negatively affects agricultural sector's stability and relays this tension to related industries along the chain.

Second, “smart protectionism” requires some general adjustments. For example, in 2021, a grain damper mechanism was introduced to protect the domestic market, combining export duties with a floating rate (3,489 rubles per ton on average in 2021, 5,746 rubles in 2022, 4,353 rubles in 2023, 2,701 rubles in 2024) and support for grain producers from funds received from the grain duties. The domestic market was successfully protected, and production of higher value-added products (flour, compound feed, etc.) increased. However, the negative consequences outweighed. The grain damper reduced domestic prices by 10–25% below potential prices with zero export duty. This resulted in a 200 billion rubles of revenue loss for the agricultural sector over 2021–2024, and 369.7 billion rubles for grain exporters. At the same time, producers of all grain crops received only 40 billion rubles of direct subsidies from the collected duties over the four-year period (Boldiasov, 2025).

Third, there is still no approved conceptualization of agribusiness integration into the strategic planning system of the Russian economy. In this regard, the following point is noteworthy. At the meeting on December 8, 2025, the Council for Strategic Development and National Projects considered the Plan for Structural Changes in the Russian Economy until 2030, previously approved by the government. The plan had seven key directions, but agribusiness, which steadies economic growth, was not among them. In

<sup>65</sup> Development of agriculture and regulation of markets for agricultural products, raw materials, and food: RF Government Resolution 717, dated July 14, 2012; Development of the fishery complex: RF Government Resolution 314, dated April 15, 2014; Integrated development of rural territories: RF Government Resolution 696, dated May 31, 2019; Effective involvement of agricultural land and development of the reclamation complex of the Russian Federation: Government Resolution 731, dated May 14, 2021.

<sup>66</sup> Koroleva A. (2025). Agricultural budgets prepared for cuts. *Kommersant* (July 29), 134, 2.

<sup>67</sup> 540.4 billion rubles allocated for AIC state programs in 2026 – *Lut. Spetsagro*. 2025. September 25. Available at: <https://specagro.ru/news/202509/v-2026-godu-nagosprommy-apk-predusmotreno-5404-mlrd-rub-lut> (accessed: 16.12.2025).

<sup>68</sup> Pichurina V. (2026). Worse than locusts. *Rossiiskaya gazeta* (Appendix “Ural Region”, April 16), 81, 13.

<sup>69</sup> RSY 2024. P. 336.

<sup>70</sup> RF Government Resolution 1843-r, dated July 10, 2025. Collection of Legislation of the Russian Federation. 2025. No. 28. Art. 4044.

<sup>71</sup> Calculated based on data from the “Russian Statistical Yearbook” for the respective years.

<sup>72</sup> Calculated based on: Central Bank of Russia. Dynamics of the official exchange rate of a given currency. Available at: [https://www.cbr.ru/currency\\_base/dynamics/](https://www.cbr.ru/currency_base/dynamics/) (accessed: 16.01.2026).



particular, the plan aims to increase the share of manufacturing industries, R&D, the financial sector, ICT, and tourism in GDP by 2% each over the decade to 2030, while reducing the share of oil and gas by 3.6%<sup>73</sup>. It is obvious that issues of food security enhancement will certainly be considered in the implementation of all basic directions of the planned economic transformation. Nevertheless, though this set of issues is not a separate direction of structural reforms, we believe that the objective of increasing priority of agribusiness growth (in agricultural and food industries) should be included in the policy documents, at least by ensuring the stability of its share in Russia's GDP (but preferably by synchronizing its growth with that of manufacturing industries).

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