

LIVESTOCK FARMING

The share of agricultural products in Belarus' GDP in 2013 was 7.9%.

9.7% of total employment in the economy are occupied in the agriculture of Belarus, and its share in GDP, in contrast to EU agriculture (3%) is 7.9%. Livestock production in the Republic of Belarus has always occupied a leading position in agricultural production, which accounts for 50 percent of all agriculture.

A positive trend in production of major agricultural products is projected in 2013.

A positive trend of major agricultural products is projected in 2013. The country has produced 1,172 thsd tons of livestock and poultry, which is 7% more than in 2012, milk- 6651 thsd tons (2%) and eggs - 3961000000 pcs. (5%). Belarus currently ranks first on food production per capita among the CIS countries and is in the top list of world leaders in the production of milk. For example, in per capita production Belarus is ahead of the Russian Federation on meat - 2 times, and milk - 3 times.

There is a tendency to the "holdingization" of agricultural organizations.

The share of state support of agriculture in 2013 was 14%, but in the framework of the integration of the Customs Union, the share of state should be reduced to 10% in 2015. The vast number of agricultural organizations are public. Over the 2010-2013 period the number of private investors in agriculture increased slightly, there is a tendency to create holdings. For example, an example of efficient holdings are JSC "Servolux", that use a completion production cycle - from raw materials to finished products trade - poultry, and dairy holding company "Danone-Unimilk", in which the investment project aimed at production of dairy products is realised.

One of the major trends in the industry - gain of concentration of companies.

Currently, there is a growth of concentration of agricultural enterprises and increase of the share of the state through the purchase of shares from individuals, connection of the state-controlled small and unprofitable enterprises to larger and more efficient, the transfer of shares owned by the collectives to the state.

About 1,500 organizations are engaged in the production of agricultural products in Belarus.

About 1,500 organizations are engaged in the production of agricultural products in Belarus. The largest producers of crop production are Agrokombinat "Dzerzhinsky", JSC Agrokombinat "Skidelsky", Agrokombinat "Servolux", JSC "Belovezhskoe", JSC "Vitebsk broiler poultry" and others.

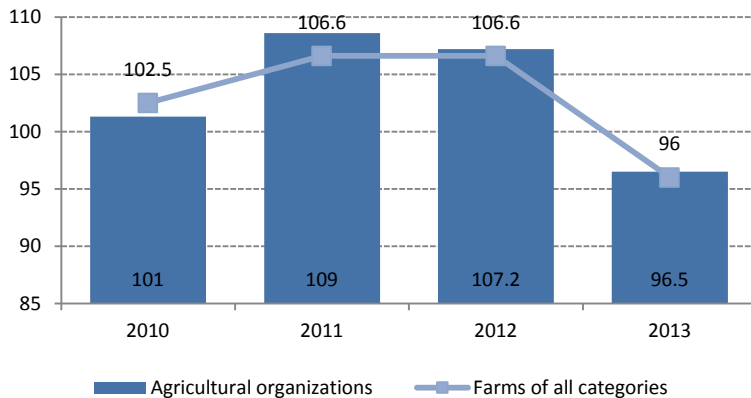
Russian Federation is the main trade partner is.

Belarus is active in foreign trade in products of animal origin. Of livestock products Belarus exports beef, pork, poultry, milk and dairy products, eggs totaling 3.469 bln USD Russian Federation is the main trade partner for organizations of agriculture. Total for 2013 in Russia was supplied with animal products on 2.9 bln USD (4.4% more than in 2012).

LIVESTOCK FARMING

Production

Indexes of agricultural production
(in % to the previous year, at comparable prices)



Source - Belstat

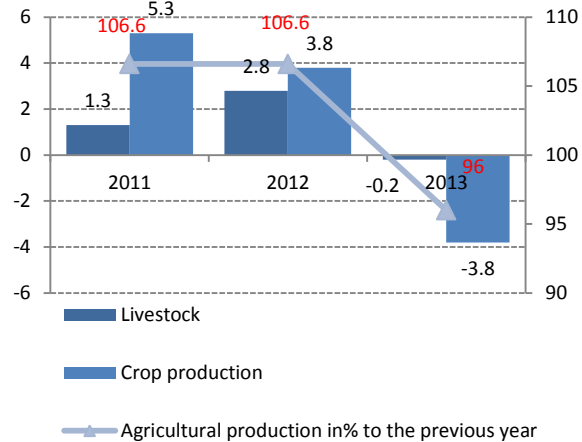
Agriculture is a priority sector for the Republic of Belarus and one of the most regulated sectors of economic. 9.7% of total employment in the economy are occupied in agriculture of Belarus, and its share in GDP, in contrast to EU agriculture (3%) is 7.9%. In 2013 there was a decline of agricultural production by 4% compared with 2012, due to the deep recession in the crop (due to the low yield). Financial results for 2013 indicate an increase in revenue by 12% compared with 2012. However, net profit fell almost half - 54.7%. Despite the significant drop in return on sales (3 times) she kept a positive value, while the corresponding figure calculated without state became negative in 2013. The negative result of the profitability of sales in December 2013 is not an economic law, but a specialty of the provision of annual reports.

Main financial results of companies in Agriculture

Indicator	2012	2013	2013 in % to 2012
Sales, bln rubles	61 204.10	68 542.80	112
Net cost, bln rubles	46 226.20	58 327.40	126.2
Net income/loss (-) bln rubles	9 239.50	4 188.80	45.3
Proceeds from sales per worker, mln rubles	174.6	203	116.3
Return on production, %	18.9	5.3	x
Return on sales, %	14.3	4.5	x
Return on sales by the final financial result, %	15.1	6.1	x
Return on sales by the final financial result (without state), %	8.8	-1.9	x

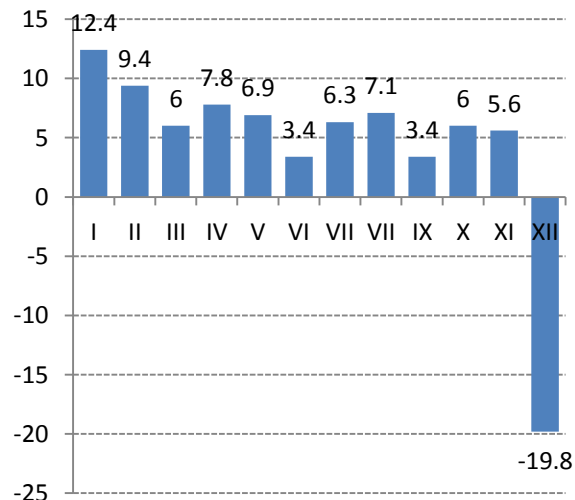
Source: Belstat

Influence of animal and plant products in the growth of rate of agricultural production in all categories of farms



Source: Belstat

Return on sales, %



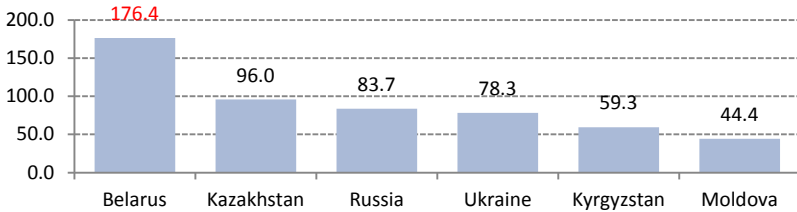
Source: Belstat

LIVESTOCK FARMING

Production

Livestock production in the Republic of Belarus has always occupied a leading position in agricultural production, which accounts for 50 percent of agriculture and is the main source of funds for the development of industrial and social framework in the agricultural sector of the country. In the Republic of considerable work on specialization and concentration of poultry, pig, breeding and fattening of young cattle was done.

Production of livestock and poultry, kg per capita, 2013

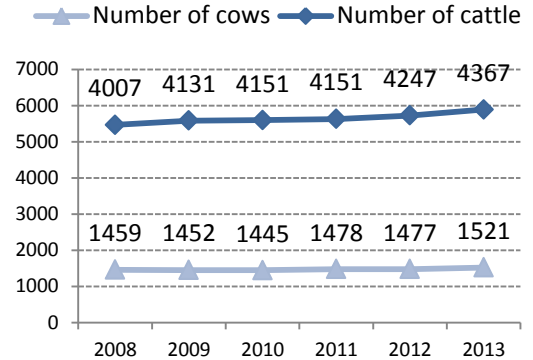


Source - Belstat

Meat cattle breeding

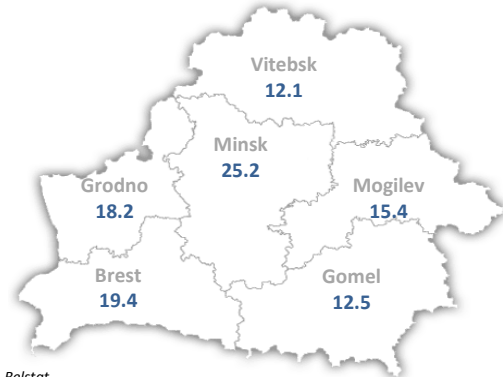
Cattle breeding is an important livestock industry sector of the republic, which accounts for more than half of the total livestock production. The main part of the cattle population is concentrated in the agricultural organizations - 96% and 85% of cows. On 1 January 2014 the number of cattle in the agricultural organizations amounted to 4321 thsd heads that as compared with the previous year is less on 1%, including cows - 1,525 thsd heads (0.1% increase). More than 98% of milk and beef farm organizations receive from breeding of black-montley cattle. Development of this industry has a number of advantages of an economic nature. These include the low cost of energy and labor on the keeping of the livestock, the possibility of functioning of the industry without building capital facilities, as well as the use of feed resources that are not available for other species. Beef production volumes are 33 kg per capita. For comparison, in Russia - 13.3 kg. However, considering the significant volume of export of domestic beef to Russia its deficit in Belarus is estimated at 80-90 thsd tons per year.

The number of cattle in farms of all categories, thsd heads



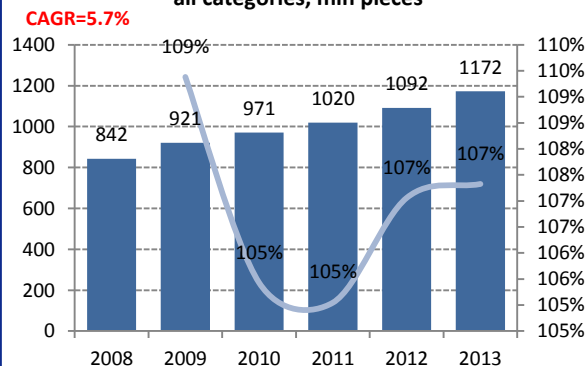
Source - Belstat

The share of regions in livestock production farms of all categories at the beginning of 2014



Source - Belstat

Production of livestock and poultry at farms of all categories, mln pieces



Source - Belstat

LIVESTOCK FARMING

Production

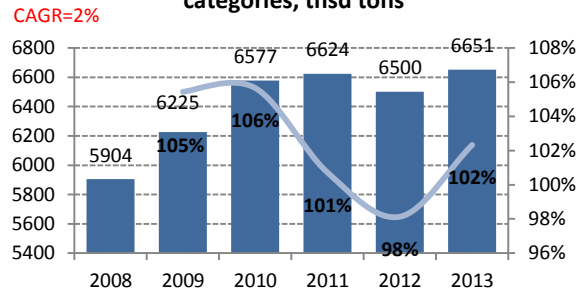
DAIRY CATTLE BREEDING

In milk production per capita the Republic occupies the 1st place among the CIS countries and 4th in the world (after New Zealand, Denmark and Lithuania). The volume of raw milk production in 2013 amounted to 6.6 mln tons. Currently, the genetic potential of animals Belarus black-motley breed of 8.0-8.5 thsd kilograms of milk per lactation, and average daily gain of young animals for fattening up 1200- 1300 grams. Belarusian scientists created an interbreed type of Holstein cattle "BelGolshtin" with the genetic potential of more than 10,000 pounds of milk per cow per year. Actively used by "large-scale" selection for the improvement of the mass of the entire population of dairy cattle. However, due to the imbalance of diet on protein and micronutrients genetic potential of livestock Belarusian realized only by 50-60 percent. In order to increase the productivity of dairy cattle in 2014 is planned to structure adjustment acreage of forage crops (increase in the proportion of legumes: alfalfa, clover, etc..) To ensure the growth of the protein. The structure of dairy production in Belarus is quite diverse. 51% of the country's dairy products accounted for whole milk, in second place - yogurt and cheese (12% each).

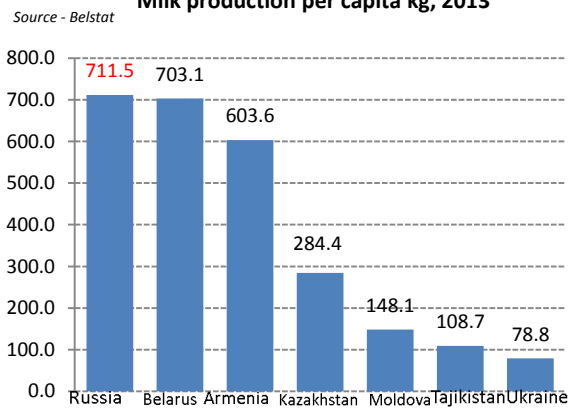
EQUINE

Breeding foundation of the republic are 16 agricultural organizations of different rock areas that provide the rest of the organization of breeding stock. The most numerous Russian heavy draft horse, the Trakehner, Byelorussian Drafter, Russian trotters. Equine develops in four areas: breeding, sport, Draught horses and productive (meat). Draught horses mainly grown for use in the agricultural organizations of the republic, a significant number of them purchased by private owners.

Milk production at the farms of all categories, thsd tons

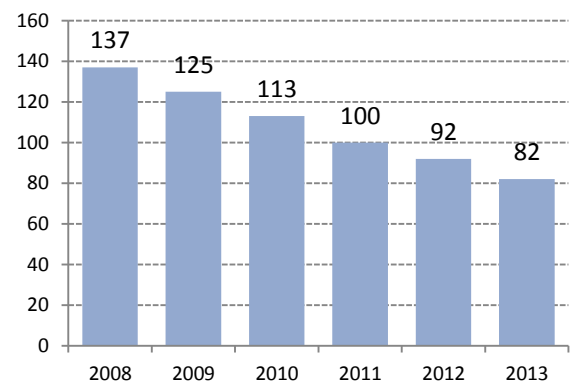


Milk production per capita kg, 2013



Source - Belstat

The number of horses in all categories of farms, thsd heads



Source - Belstat

LIVESTOCK FARMING

Production

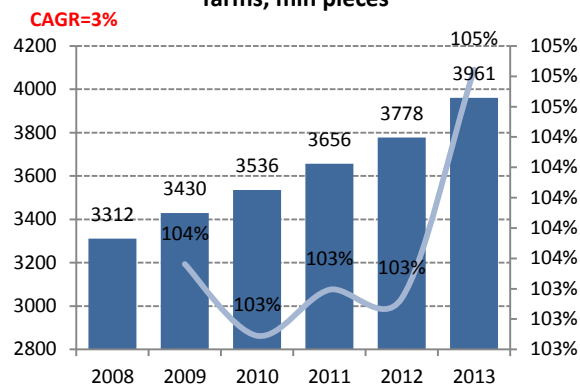
POULTRY

Poultry farming - is one of the most rapidly developing industries in the country. Per capita produces 40 kilograms of poultry meat and 421 eggs. In 2013, experts saw the decline in production of poultry for slaughter. There are the following reasons for the decline: the fall in consumer demand, rising prices for feed grain and increase of competition. In beginning of 2014 in the country in agricultural organizations had 33.6 mln heads of poultry. The main producer of poultry products is the Republican Association "Belptitseprom" (98 and 93% of produced by agricultural enterprises meat and eggs). A significant number of poultry (33%) is kept by the population of the country. By type of poultry productivity there is poultry for egg and for meat. Production of eggs in Belarus is at the level of developed countries - 421 pcs. eggs per person per year. This is equivalent to 25 kg of egg mass. Consumption of poultry meat in Belarus is low in per capita average of about 7-10 kg per year, while in Russia 20-22 kg per year.

Pig-breeding

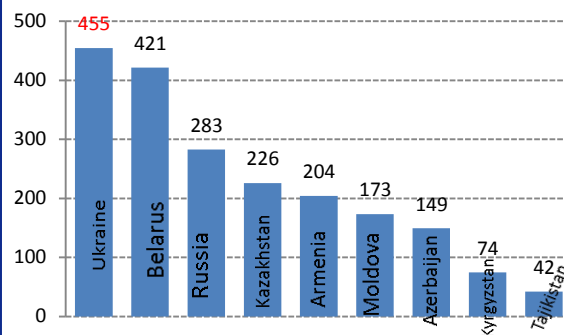
Pig breeding - a traditional and the second most important livestock industry of Belarus. Pig industry is the third largest agricultural enterprises undertaken by the material and monetary costs in animal husbandry. For its development is spent about 20% of all consumed in livestock facilities and almost 35% of forage. The number of pigs is mainly concentrated in the agricultural organizations of the republic - more than 80 percent and the rest - in households and farmers. Belarus has a wide range of breeds and of world-class quality. The country has bred animals breeds Yorkshire, Landrace, Belarusian meat, Belarusian large white, black-and-white Belarusian, Duroc. An efficient system of pure breeding and improvement of species and hybridization is implemented to obtain rock-linear hybrids delivered on the meat-packing plants. On January 1, 2014 in the agricultural organizations of the republic, there were 3300 thsd of pigs, which is 15% less than last year. The fall of the number of pigs in 2013 due to an epidemic of African swine, causing mortality of livestock species. Belarus has established and operates about 110 large pig farms. Deterrent to efficient production of pork in the country, is an old technological base of the industry, the need for immediate reconstruction or overhaul.

Production of eggs in all categories of farms, mln pieces



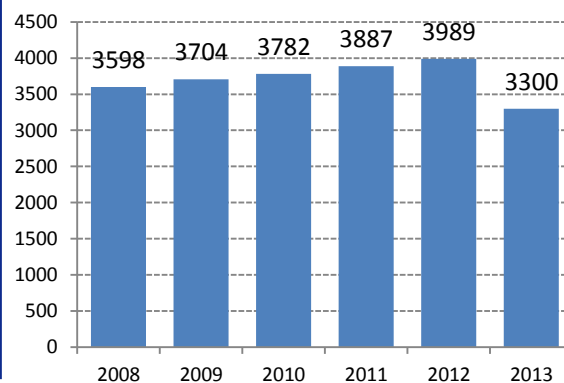
Source - Belstat

Production of eggs per capita, pieces



Source - Belstat

The number of pigs in farms of all categories, thsd heads



Source - Belstat

LIVESTOCK FARMING

Production

FISH FARMING

Fishing activities in the Republic of Belarus is represented by two main directions: the breeding and rearing of fish in artificial conditions and fishing in the fishing grounds. The total area of pond stock under the jurisdiction of the various organizations involved in fish farming is 29.96 thsd hectares. The main type of cultivation is carp, but its share has been reduced from 90 to 75% due to the build-up of breeding grass carp, European catfish, pike.

FUR FARMING

Fur farming in the country is represented in the form of breeding carnivorous animals (mink, fox, fox) and herbivores (rabbit, nutria, chinchilla). Currently in cell breeding of carnivorous animals are involved 20 organizations, including two fur farms and 5 agricultural departments Belcoopsoyuz, 10 agricultural cooperatives and 3 organization of private ownership. The main type of cell production of furs are mink fur. Their share in the total production is 99.1%. The share of fox pelts - 0.6%, foxes - 0.3%. Fur organizations of Belcoopsoyuz annually produce about 90% of the skins of fur-bearing animals of the total produced in the country - from 70 to 165 thsd pelts. Herbivores: rabbits, nutria, muskrat, chinchilla bred mainly in personal subsidiary and peasant farms. Annual production of rabbit meat (live weight) is about 1100 - 1200 tons.

BEEKEEPING

Beekeeping is an important branch of agriculture in most countries of the world community. Through the activities of honeybees crop yields increased by an average of 40%. Germination of seed obtained from pollination increases in rape by 20%, buckwheat - by 15%. For 2001-2011gg. the number of bee colonies in Belarus increased by 31.3 thsd (16.3%), including personal farmsteads households - 36.8 thsd. (24.8%), in farms - 0.6 thsd ha (31.6%). While the organizations involved in beekeeping, it decreased by 4.3 thsd. (10%). Currently in beekeeping of Belarus the individual small-scale production dominates .



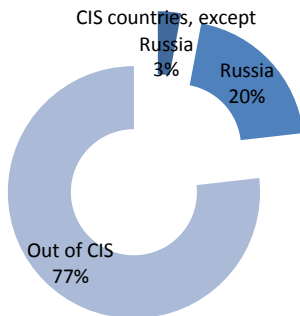
LIVESTOCK FARMING

Foreign trade

Exports of agricultural and food products in Belarus involves about 320 organizations, of which more than 40 - big exporters, shipping abroad of more than 20 bln USD. For the realization of agricultural and food products export enterprises develop their own distribution network. Currently there are already about 130 such structures and therethrough abroad supplied more than 20% of export. About 4% of food products sold through the stock exchange.

Over 95% of total exports - is livestock and poultry. Belarus sells abroad butter, cheese and cottage cheese, skimmed milk powder, whole milk powder, pork, beef, sausages and canned meat.

Shares of countries importing products of animal origin Belarus

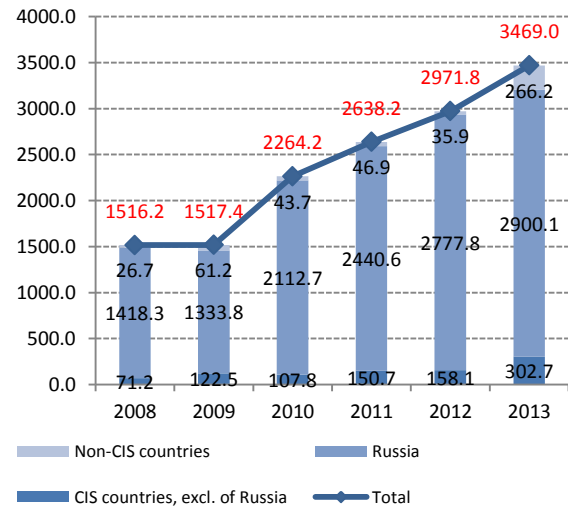


The Russian Federation is the main trade partner of organizations of agriculture. Total for 2013 in Russia was put animal products for 2 bln. 900 mln USD (4.4% more than in 2012).

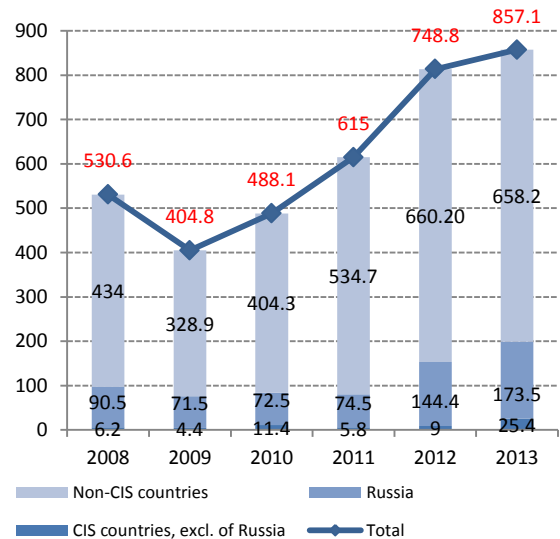
Exports to the CIS countries, except Russia in 2013 amounted to 302.7 mln USD, an increase compared to 2012 by 91%. In the CIS countries the organization of the Ministry of Agriculture in 2013 exported products to 266.2 mln USD (6.5 times more than in 2012).

According to the Food and Agriculture Organization (FAO) UNO, Belarus is one of 10 export items, the top 20 exporting countries. Belarusian imports of agri-food products is more diversified, it comes from the different countries of the CIS and non-CIS countries, the bulk of the meat products (frozen beef, pork and poultry) comes from outside the CIS

Exports of goods of animal origin, mln USD



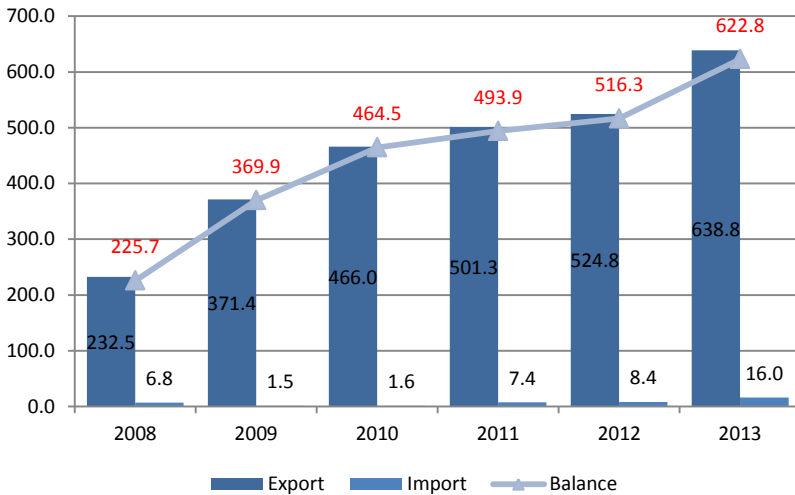
Imports of goods of animal origin, mln USD



LIVESTOCK FARMING

Foreign trade

Meat cattle breeding
Foreign trade of beef meat, mln USD

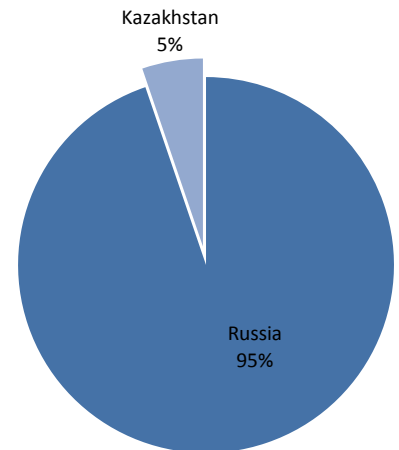


Per capita in the country is produced 33 kilograms of beef. For comparison, in Russia about 13 kg. However, given the large volume of export deliveries of Belarusian beef to Russia, the lack of beef in Belarus is estimated at 80-90 thsd tons per year. October 31, 2013 entered into force on the Eurasian Economic Commission decision on quotas on meat imports to the countries of the Customs Union in 2014. Application to Belarus for beef was reduced to zero.

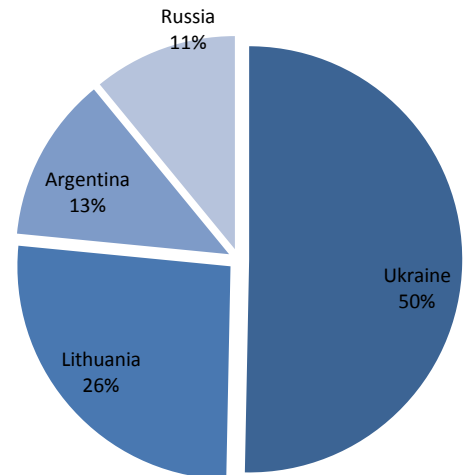
Beef exported only into two countries: Russia and Kazakhstan. In this case, the dominant position occupied by Russia, which is equal to the volume of supplies 605.4 mln USD, Kazakhstan buys beef in the amount of 33.4 mln USD.

Geography of Belarusian import is much wider. So, the main suppliers of beef are: Ukraine - 8 mln USD (50%), Lithuania - 4.1 mln USD (29%), Argentina - 2 mln USD (13%) and Russia - 1.7 mln USD (11%).

Exports of beef from Belarus in 2013



Imports of beef in Belarus in 2013



LIVESTOCK FARMING

Foreign trade

Pig-breeding

Belarus annually produces about 445 thsd tons of pork, with an inner need - no more than 80 percent. Surplus is exported, earning it to \$ 200 mln USD per year. And at the same time, Belarus does not waive the import of pork. A significant amount of finished goods from the Republic goes to market of the Customs Union.

Eurasian Economic Commission reduced the quota for the import of pork in Belarus in 2014 tripled to 20 thsd tons. This is stated in the decision of the Board of ECE.

At the same time, the document states that the quota for the supply of pork in Belarus can be doubled to 40 thsd tons provided that the volume of imports of this product in the first half of 2014 to reach at least 70% of the planned amount. Customs duty on "quota" pork is 15%, with the usual import - 70%.

In the import quota for Belarus Russia is interested in the first place, who feared an influx via Belarus to its market of Polish meat. Russian pork producers and meat processors have repeatedly expressed concern that the through Customs Union the Polish import may be on the territory of Russia.

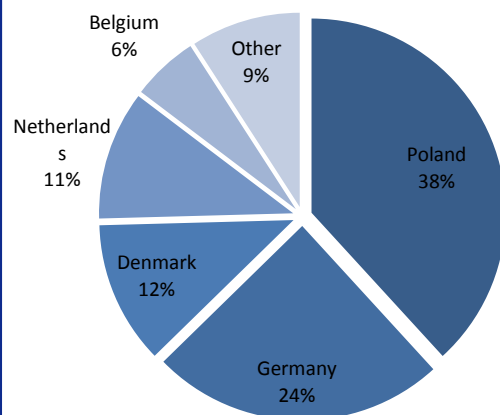
In August 2013 the main importer of Belarusian food-Russia - refused from pork production "in connection with trouble Belarus for African swine fever", despite the fact that the centers of ASF in Belarus eliminated in June 2013. And in September 2013, another importer - Ukraine - also refused Belarusian pork for the same reason. These changes had a negative impact on the volume of exports of Belarusian meat in the second half of 2013. Overall in 2013, there was a decrease in the export of pork.

Pork imports is carried out in order to obtain economic benefits. When importing pork savings of \$ 0.8-1 for one kilogram.

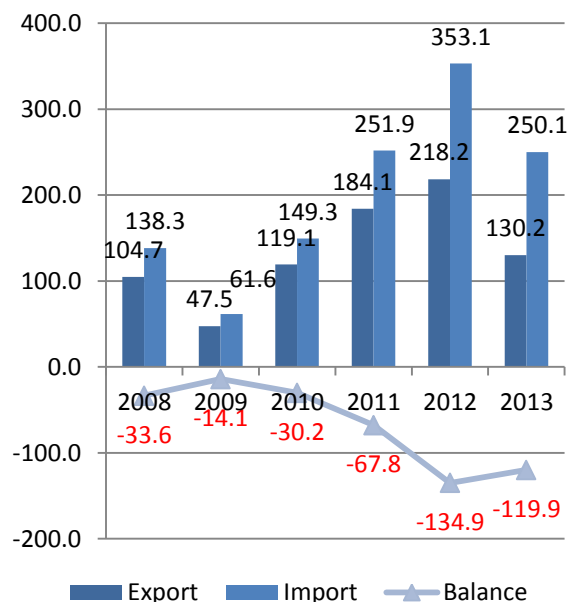
The main importers of Belarusian products are Russia, buying pork at 126.9 mln USD, And Kazakhstan, with the volume of imports of 3.1 mln USD.

The main countries exporting their products to Belarus are Poland - 95.2 mln USD (38%), Germany - 61 mln USD (24%) and Denmark - 29.6 mln USD (12%).

Imports of pork meat in Belarus in 2013



Foreign trade in pork, mln USD

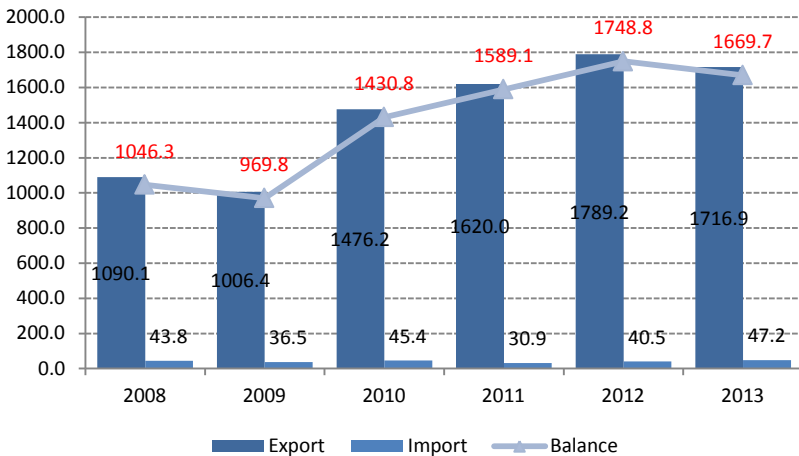


LIVESTOCK FARMING

Foreign trade

Dairy cattle

Foreign trade in milk and milk products, mln USD



Export of milk and dairy products from Belarus is 38% of the exports of agricultural products and foodstuffs.

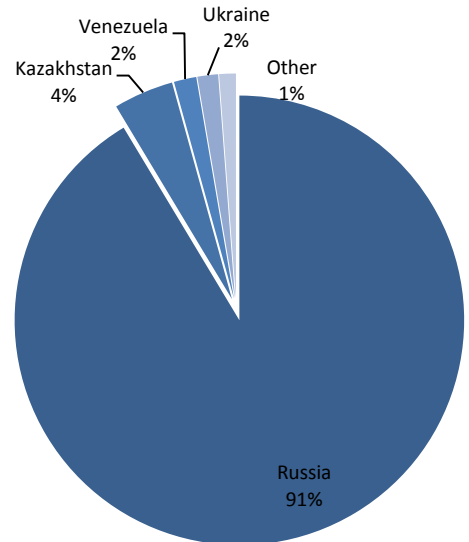
Belarus produces 1.4% of total world milk. Domestically consumed only 46% of manufactured dairy products.

Geography markets include the markets of Azerbaijan, Armenia, Kazakhstan, Moldova, Turkmenistan, Ukraine, and Venezuela.

The main market for Belarusian milk and dairy products is Russia. This is due to the transport shoulder and consumer preferences. In the short term the situation will continue. However, further expansion of exports is limited by economic and environmental factors. Processing of milk products with a long shelf life depends on the market situation, which is determined by the major exporting countries.

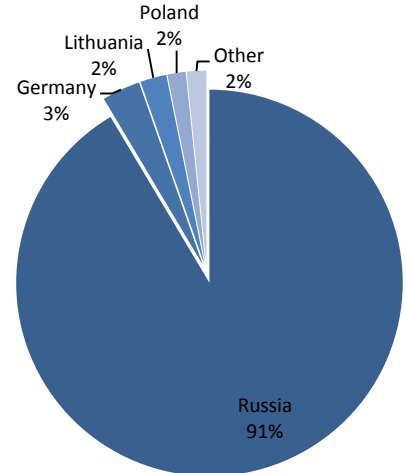
Import of dairy products in the territory of the Customs Union Commission to address the CU is only possible with permits issued by the competent authorities of the countries of the Customs Union. All permits in Belarus and Russia are in a single electronic system "Argus" and are easily traced by the competent authorities of the parties. This system allows you to track the number of already imported goods, as well as its country of origin.

Exports of milk and dairy products from Belarus in 2012



Source: UN Comtrade

Imports of milk and dairy products in Belarus in 2012



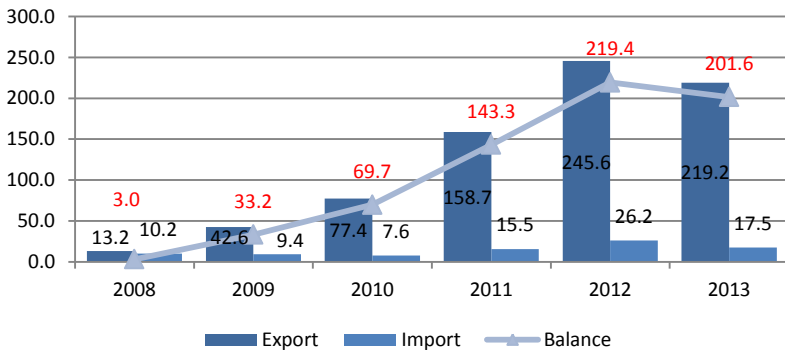
Source: UN Comtrade

LIVESTOCK FARMING

Foreign trade

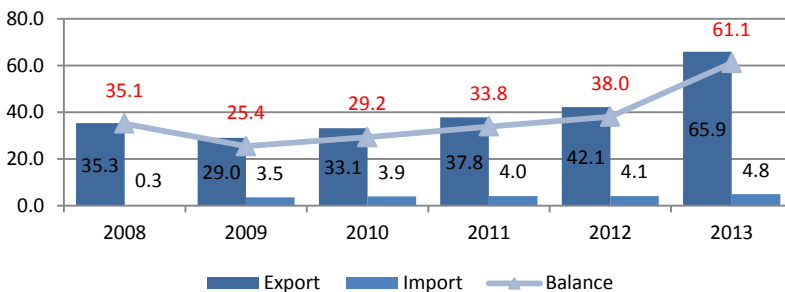
POULTRY

Foreign trade in poultry meat, mln USD

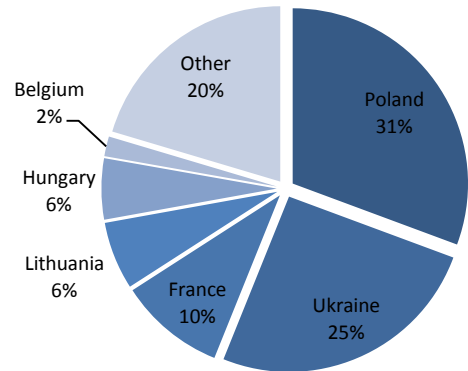


In foreign trade of poultry the surplus is observed. Leader in the import of meat from Belarus is Russia. She bought in 2013 for poultry 216.6 mln USD, representing 98% of total shipments. Poultry is imported by Poland (31%), Ukraine (25%), France (10%), and others. Belarus continues to export eggs to the CIS countries. Over 2013 Russian bought in Belarus 832 mln pcs. for 62.2 mln USD, or 98% of total exports. In Kazakhstan supplied 11 mln pcs. Belarusian eggs with total cost 840 thsd USD. A minor part of the goods went to Moldova. Despite the fact that 75% of the total egg production remains in Belarus, and domestic consumers prefer to buy Belarusian eggs, the state continues to import this product. The volume of its import is limited: for the reporting period from Poland eggs received in the amount of 11.5 mln Pieces worth 3.7 mln USD from Russia - 1 mln Pcs. 141.1 per thsd. USD. The total volume of import of eggs was 12.6 mln Pieces, and the cost - 3.9 mln USD.

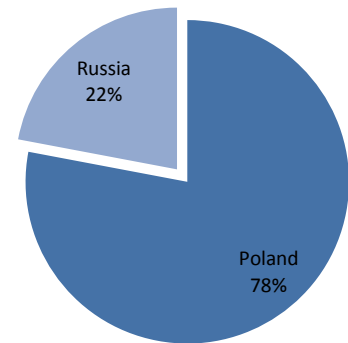
Foreign trade in eggs, mln USD



Imports of poultry meat in Belarus in 2013



Imports of eggs and egg products in Belarus in 2013



Source: UN Comtrade

LIVESTOCK FARMING

Consumption

The main consumers of livestock products are dairy factories and meat-packing plants.

Today in Belarus there are more than 100 companies that perform processing of meat. Among the top in terms of meat and finished goods sales for 2013 can distinguish meat-packing plants located in Minsk, Grodno, Beryoza and Vawkavysk (32% of total sales in the industry). It should also be noted enterprise Vitebsk, Brest, Sloutsk, Mogilev with a share of more than 5%. In addition to production for the needs of the state, almost all enterprises of the meat industry supply Belarus manufactured products for export.

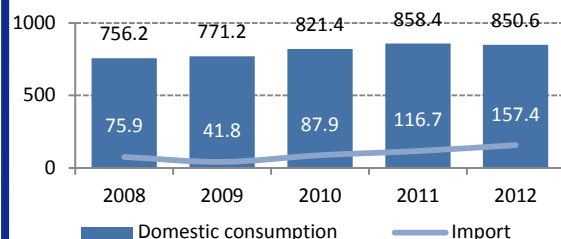
Processing of freshwater fish in the country are engaged in 7 specialized companies: OJSC "Experimental Fishery" Selec", OJSC "Fish Factory "Luban", OJSC "Rybhoz" Dneprobugsky", OJSC "Rybhoz "Krasnaya Sloboda", OJSC "Rybhoz" Volma", OJSC "Rybhoz "Polesie" and OJSC "Experimental Fishery" White". Most of the products are supplied to the domestic market.

The largest enterprises of the dairy industry are of "Rogachevskiy Milk Plant" PUE "Mozyr diary products", JSC "Dairy Products" (Gomel), JSC "Savushkin product", JSC "Bereza cheese-making plant" SEC "Agrokombinat Dreams", of "Grandma's Jug", "Bellakt". In whole milk products processed 27 percent of the resources, in the cheese - 30 percent, oil - 33 percent, whole milk powder and condensed milk - 10 per cent - so is the structure of processing. On the domestic market of the country consumes about 50% of the dairy products, the remaining 50% is exported. The main trade partners of organizations of the Ministry of Agriculture exporters are the Russian Federation and Kazakhstan. They account for about 93% of total exports of our businesses.

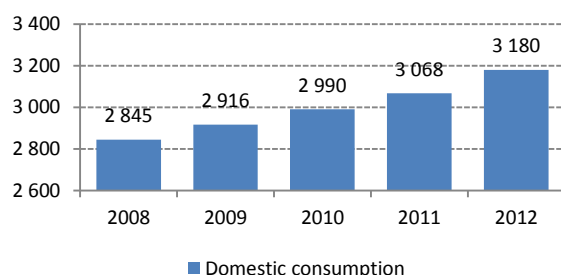
Consumption of basic foods per capita, kg

	2007	2008	2009	2010	2011	2012
Meat and meat products	71	76	78	84	88	88
Milk and dairy products	253	237	228	247	252	281
Eggs and egg products, pcs.	280	283	289	292	310	310
Fish and fish products	17.8	16.1	15.4	15.7	12.6	13.1

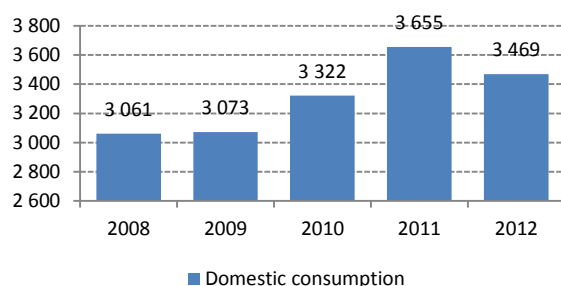
Share of imports in the consumption of meat and meat products, thsd tons



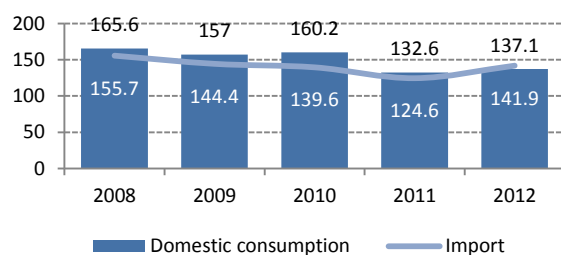
Consumption of eggs and egg products, mln pcs.



Consumption of milk and dairy products, thsd tons



Share of imports in the consumption of fish and fish products, thsd tons



Source - Belstat

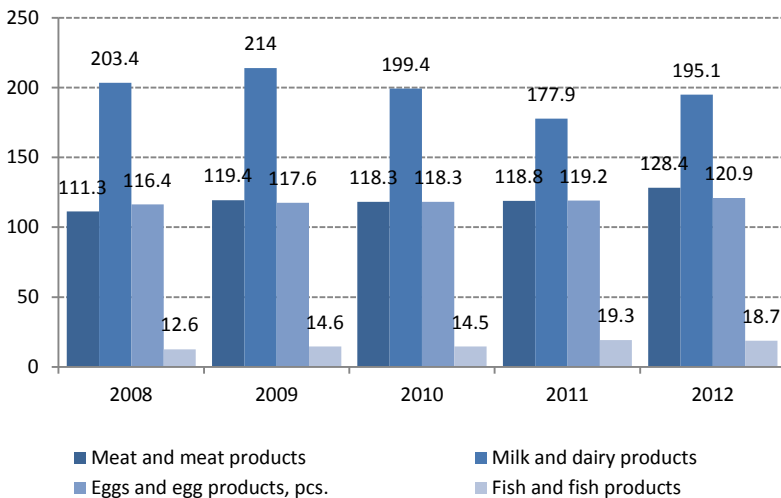
LIVESTOCK FARMING

Consumption

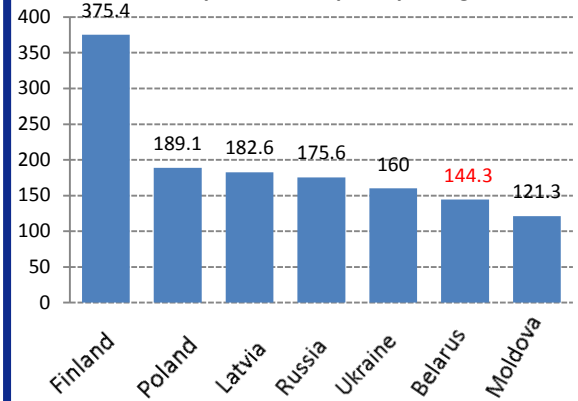
In recent years in Belarus the residential consumption of certain foods has changed. So, according to the year 2012, the consumption of meat and meat products (in terms of meat) compared to 2008 increased by 17 kg to 88 kg (rational norm - 70 kg), eggs - by 30 units to 310 (rational norm - 257 pieces). Leader in meat consumption in Europe is Luxembourg (107.9 kg), and Belarus is ahead of its neighboring countries with consumption of 78.4 kg. person. And the consumption of eggs Belarus shares the second place with Ukraine, consuming 15.6 lbs. eggs person per year.

Consumption of milk and milk products (in milk equivalent), compared with 2008 increased by 28 kg to 281 kg (rational norm - 354.5 kg) of milk. The most active consumer advocates Finland (375.4 kg) And Belarus gives way to Poland, Latvia, Russia and Ukraine, with a per capita consumption of 144.3 kg.

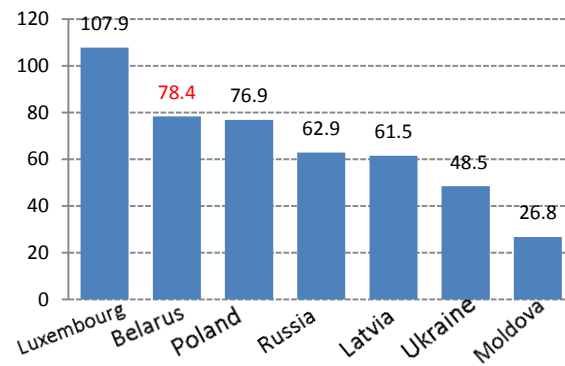
**Basic level of self-sufficiency
With agricultural products**



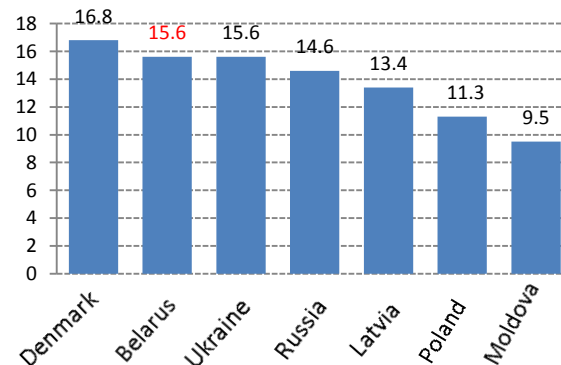
Consumption of milk per capita, kg



Consumption of meat per capita, kg.



Consumption of eggs per capita, kg



Source:FAO

LIVESTOCK FARMING

Key players

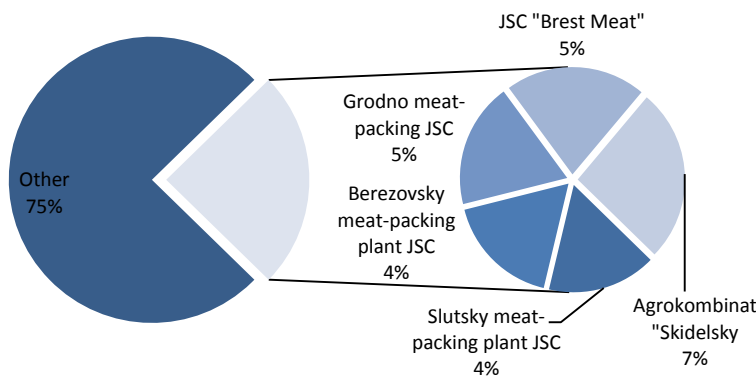
At the beginning of 2014 in the republic there are: 1570 agricultural organizations, 2337 (peasant) farms. The largest organization of agriculture, in its organizational - legal form are JSC, and of the total volume of agricultural organizations are 489 organizations, i.e. 42%, has the legal form of open joint stock companies.

According to the results of operations for the 3rd quarter of 2013 came in the highest revenue of Agrokombinat "Skidelsky" and amounted to 184.2 mln USD, The second position at JSC "Brest Meat" - 149.3 mln USD, Third at JSC "Grodno myasokobinat"- 132.4 mln USD. In the top 5 are also included JSC "Berezovsky meat-packing plant« (122.2 mln USD) and JSC "Sloutsky Meat Processing Plant" (115.5 mln USD).

In terms of revenue per 1 employee leads JSC "Grodno meat-packing plant" - 93.5 thsd USD on 1 employee. Overall revenues by 1 employee for more than 90 thsd USD have another 4 companies: JSC "Berezovsky meat-packing plant" - 91.8 thsd. USD. And of "Brest Meat" (90 thsd USD)

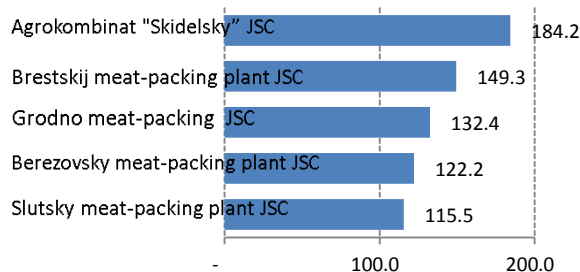
On the results of three quarters of 2013, the highest net profit of Agrokombinat observed in "Dzerzhinsky" - 16.3 mln USD. Net profit of JSC "Smolevichy broiler" amounted to 11.8 mln USD. Should be noted that the third in the results of the 3 quarters of 2013 was the "Poultry Friendship" with a score of 7.1 mln USD.

Share of proceeds of largest agricultural enterprises in the revenue of all agricultural



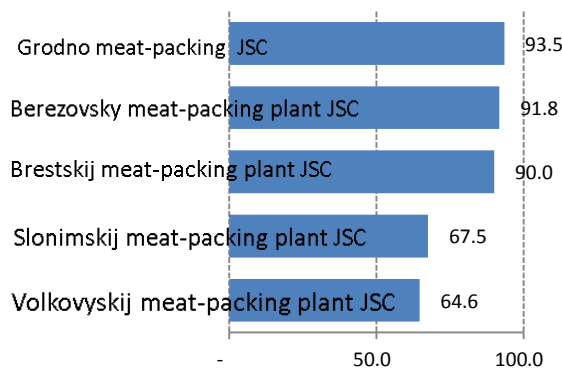
Source: UNITER

Sales revenue for the Q3 2013, mln USD



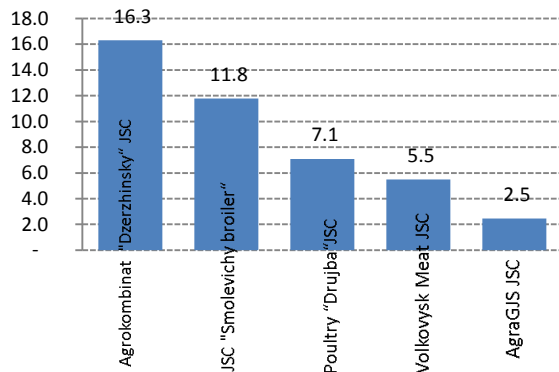
Source: Ministry of Finance

Revenue from 1 employee in Q3 2013, thsd USD



Source: Ministry of Finance

Net profit for the Q3 2013, mln USD



LIVESTOCK FARMING

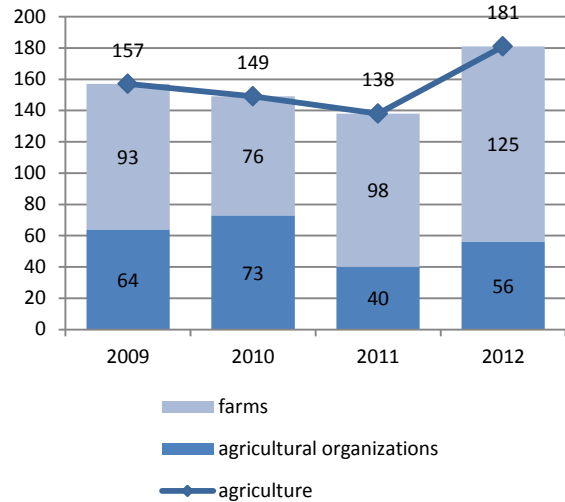
Key players

Reforming the unprofitable agricultural organizations operating in the country on the basis of two presidential decrees Belarus - №138 March 19, 2004 "On some measures for financial recovery of the agricultural organizations and investment in agricultural production" and №280 June 14, 2004 "On the Procedure and Conditions selling legal entities enterprises as property complexes unprofitable agricultural organizations. "As a result of the execution of decrees of several hundred unprofitable farms were reorganized by merging with other entities. Reorganization of agricultural enterprises by their adherence to the cost-effective organization to reduce the number of loss-making companies, but did not lead to an increase in profitability in the industry. As of January 1, 2013 at a loss in Belarus there are 56 agricultural organizations and 125 private (peasant) farms. As part of the rehabilitation of the AIC proposed deferral of payment of debt related to investment activities and the introduction of new lines of credit, taking into account the particular organizations AIC (pronounced seasonal nature of production), with a lower interest burden.

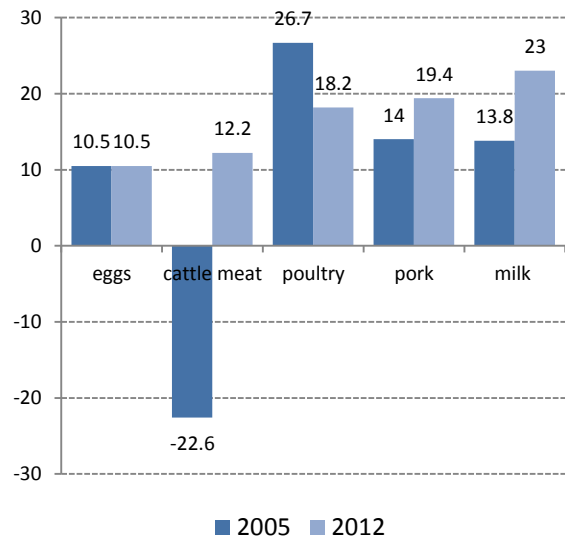
Today the country has 46 holdings. Among the largest agricultural holdings RB can distinguish "Servolux", "Machulishchy", "Tarasava", "Inco-Food", "Slavic Veles", "PUKHOVICHY Agroproduct" and "Gallery of taste." These holdings implement completion of the production cycle - from raw materials to finished products trade.



The number of unprofitable enterprises, units



Product profitability, sold agricultural organizations



Source - Belstat

LIVESTOCK FARMING

Key players

Agrokombinat "Dzerzhinsky"



Open Joint Stock Company "Agrokombinat" Dzerzhinsky" - a large integrated industrial holding. JSC "Agrokombinat" Dzerzhinsky "was established as a result of accession agricultural enterprises SEC" Pyatigorye", JSC" Fisheries "Hotovo", JSC "Fanipolagrotrans" to JSC "Dzerzhinsk broiler poultry factory" production activities of which began January 21, 1979.

In 2012, poultry meat was produced 40 thsd tons, in 2013 it is planned - 45 thsd tons of poultry meat.

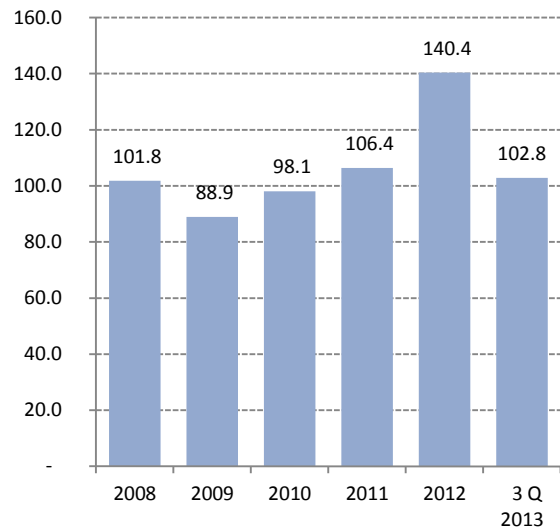
Every day the to market goes more than 60 types of products, which is sold in 57 retail stores. Products are in demand by consumers and has repeatedly been awarded at international competitions highest awards.

Agrokombinat "Servolux"

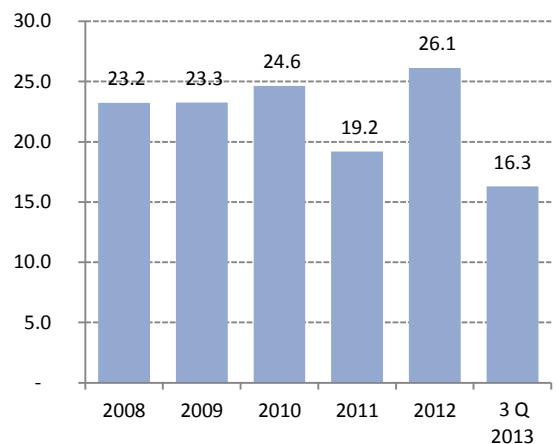


Group of companies "Servolux" is the largest manufacturer and operator of the agricultural sector of the Republic of Belarus and includes: JSC "Smolevichskaya broiler poultry factory" branch "Servolux Agro" (production and processing of broiler meat), CJSC "Agrolink" (breeding poultry) JSC "Ecomol" (fodder production), CJSC "Servolux" (distribution of agricultural equipment), a network of grocery stores "Quarter taste." "Servolux" combines all the technological stages: agricultural production in Smolevichy, Pukhovichi areas, feed production in Orsha district, factory breeder in Bykhaw two broiler poultry farm near Mogilev and Minsk and proprietary distribution network, which covers almost all regions of Belarus.

Revenue from the sale of farm "Dzerzhinsky", mln USD



Net income of farm "Dzerzhinsky", mln USD



LIVESTOCK FARMING

Key players

Agrokombinat "Skidelsky"



In 1967, in Skidel was commissioned manufactory. In 1996 the "Grodnokhleboproduct." was created. In 2010 he was registered holding "Agrikombinat" Skidelsky, "which consisted of:

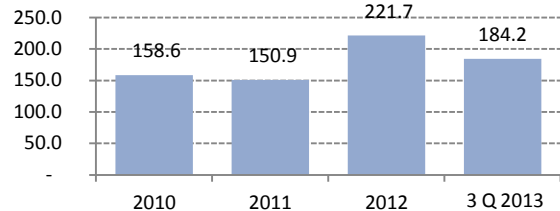
on rights of management company - JSC "Grodnokhleboproduct", which was renamed to JSC "Holding management company" farm "Skidelsky" - and on the rights of subsidiaries - seven unitary enterprises, geographically located in Grodno, Volkovisskij, Zel'venskii, Masty, Slonim and Shchuchyn areas. All made of flour, cereal and meat products are sold under the brand name "Panski gatunak." In the structure there are 4 pig complex with a capacity 24-31 thsd head of growing pigs per year each, two of which has slaughter and processing works. Another direction - a set of fattening cattle on the 5000 goals. Two poultry farms production capacity of 37.8 thsd tons of poultry meat in live weight per year. 5 farms with a total area of farmland more than 36 thsd hectares. In the retail network has 19 sites.

JSC "Belovezhskiy"

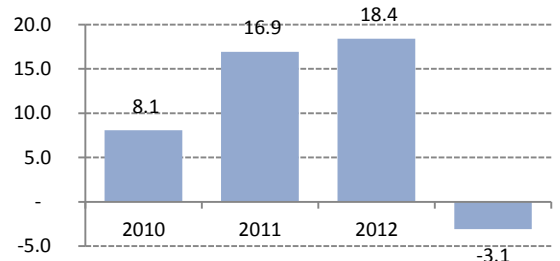
JSC "Belovezhskiy" specializes in growing and fattening pigs on commercial basis. The company consists of: pig-breeding complex, feed mill, vehicle fleet, meat cattle farms cattle, as well as the network of shops.

The company produces a commodity pork; cooked sausages, frankfurters, sausage, half-smoked sausage, smoked sausage, meat pork. Products are sold in all regions of Belarus under the brand name "Bel-Maurice."

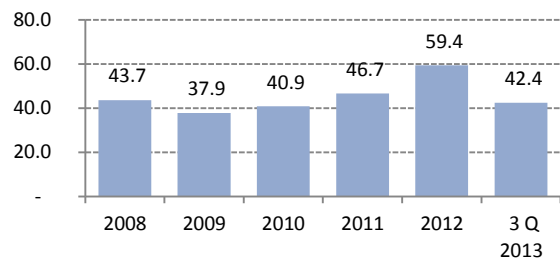
Revenue from the sale of farm "Skidelsky", mln USD



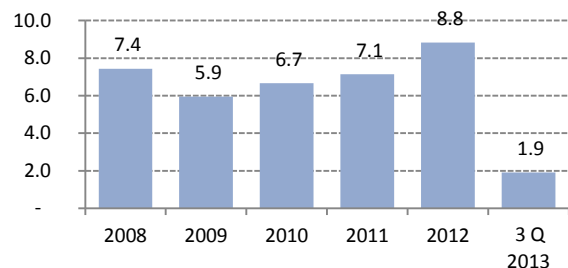
Net income of farm "Skidelsky", mln USD



Revenue from the sale of "Belovezhskiy", mln USD



Net profit of JSC "Belovezhskiy", mln USD



LIVESTOCK FARMING

Foreign capital

In 2014, Belarus plans to attract direct investment agriculture of large TNCs. The list of strategic investors also includes agricultural holdings in Russia, Ukraine, Baltic States, Eastern and Western Europe. Attraction of investors is planned due to the privatization of inefficient state-owned enterprises and state-owned shares of economic entities with the transfer of agricultural land in the long-term lease. For I quarter of 2013 year to agriculture, hunting, forestry and fishery received 44,400.7 thsd USD. Foreign Investment (24,394.3 thsd USD Revenues in 2012).

The most significant are the following projects:

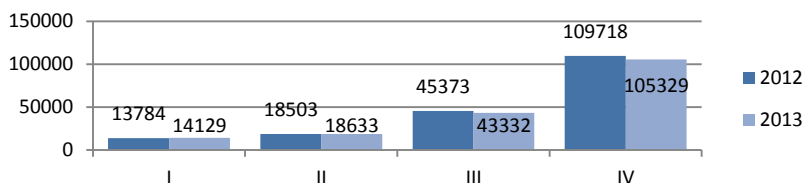
1. Investment project for the creation of the sheep-breeding complex for 10 thsd heads near d.Mihalkovichi Lahoisk district on an area of 20 hectares. Investor is IOOO "Eastern Ship." Investor from Iran plans to invest in a \$ 20 mln, In 2012, was already invested about \$ 5 mln, In 2013 - the rest. Currently constructed approximately 70% of the sheep-breeding complex. Meat products investors will implement in Iran.
2. Investment project to build a complex for processing of turkey meat. Undertook to implement the idea the group of Lithuanian agricultural enterprises Arvi ir Ko. The complex is to be built in the Grodno region. It is expected that the capacity will be five thsd tons of turkey meat and 40 tons of forage. Approximately 23 5 mln euros - is the total cost of investment in new production.
3. Investment project for the creation of agricultural enterprises for the production of pork bacon. The project of building an agricultural enterprise JV "Danprod" for the production of pork bacon with capacity of 11 thsd tons of meat in live weight per year is realized with the participation of Cyprus and the Danish capital. Investment is more than Br400 bln, including Br15 bln already mastered. Building of the enterprise started in May 2012. Pig farm is designed for 3.5 thsd sows of reproductive age, to be supplied to the slaughter of 100 thsd pigs a year, live weight at 110-115 kg.



LIVESTOCK FARMING

Recent changes

Dynamics of production of agricultural products in all categories of farms



In 2013, in 1 and 2 quarters there was a slight increase in production (by 2.5% and 0.7%, respectively). And according to the results of 3rd quarter and the year as a whole we can see the decline in production by an average of 5%.

In 2013, there was an increase of exports of livestock products by 16.9% compared to 2012. But imports grew slightly, adding only 5.4% over the period. Thus, the export of beef increased by 21.7% and imports by 89.7%, indicating the deficit of beef for consumers. At the same time, imports of fresh or chilled beef decreased by 14% and imports of frozen beef decreased by 126% due to the increase in imports from the CIS countries. Both exports and imports of pork in 2013 decreased almost proportionately, by 40.3% and 29.2%, respectively.

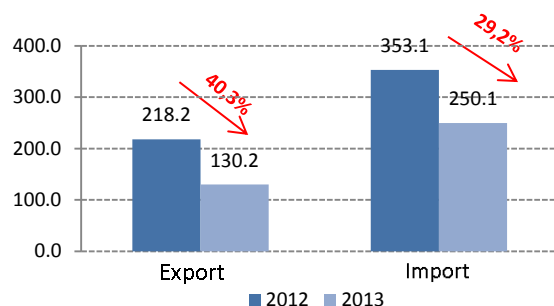
In foreign trade, milk and dairy products have a general tendency to increase of supply. On average, exports of dairy products increased by 26.5% compared with 2012. The growth in exports of milk and cream made up 17.4% of non-condensed, condensed milk and cream and dry - 50.4%, buttermilk, yogurt and kefir - 65.1% -18.4% of butter, cheese and cottage cheese - 5 6%. Export whey in value terms decreased by 16.3%, while in quantitative terms has increased by 70.1%. This fact indicates a significant decrease in the price of this type of dairy products compared with 2013 year. Imports of milk and milk products has changed more significantly than exports: 71.2%. The largest contribution to the increase in imports contributed non-condensed milk and cream - 106.2%, whey - 470%, cheese and cottage cheese - 114.1%.

Exports of eggs and egg products in value terms increased by 50.8%, and in quantitative terms by only 25.9%, i.e. export prices have increased over the period under review. But imports of eggs and egg products decreased by 4.9%, imports of birds eggs, not in shell and egg yolks of 52.6%. In foreign trade, chicken meat exports decreased by 10.8% compared with 2012, while imports - by 33.2%. And in monetary terms and in terms of quantity changes are proportionate, which means price stability for this type of agricultural products.

Foreign trade of beef meat, mln USD



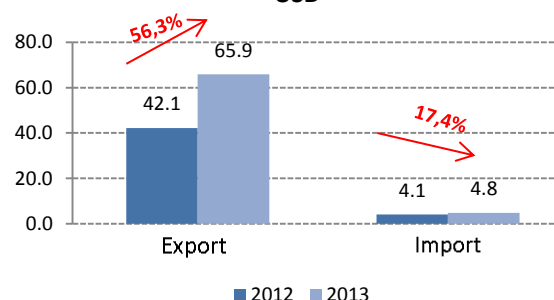
Foreign trade of meat pork, mln USD



Foreign trade of milk and dairy products, mln USD



Foreign trade eggs and egg products, mln USD



LIVESTOCK FARMING

Recent changes

The domestic slaughter was banned for Farmers of the Customs Union

On May 1, in the Customs Union comes into force a new technical regulation "On the safety of meat and meat products." Experts of the Customs Union are confident that the entry into force of the new regulation will strengthen the control over the quality of meat and meat products. In particular, one of the measures established by the regulations would be a ban on door-slaughter, the meat of which is for sale. It is noted that the conduct of the ban to avoid violations of the technology of slaughter and infection products, and thus to protect consumers from defective products. Regional Ministry of Agriculture and Economic Development stated that they are willing to support farmers who decide to build a killer platform, and to compensate them for 50% of the cost of the equipment. But farmers say that even with state support to build such enterprises is almost impossible - building a killer platform with all the equipment, experts estimate 272-329 thsd USD.

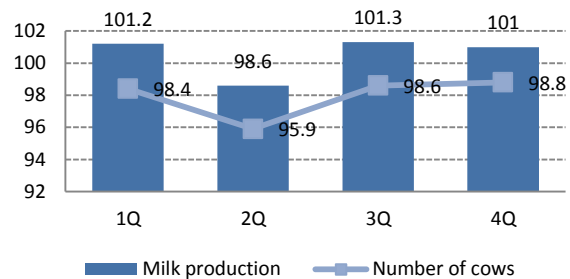
THE RESULTS PERFORMANCE AUDITS OF AGRICULTURAL PROGRAMS ARE DISAPPOINTING

The board of the SCC in 2013 discussed the implementation of the national program for purebred breeding in animal husbandry, and the legality of the use of allocated funds. Audit found numerous violations of accounting of animals, veterinary and sanitary standards of their content, the implementation of low-yielding cattle of unknown origin in the guise of a tribal. As it turned out, almost 45 bln rubles went for misuse. The Two materials were transferred In the police to give a legal assessment.

Growth of purchasing prices for milk in 2013

By Ministry of Agriculture decision prices for milk in Belarus 27 November 2013 increased by 10 percent. This is the second increase in 2013. Now the cost of a ton of milk varieties "Extra" set at 3.891 mln rubles, the highest grade - 3.352 mln, the first – 3.091 mln rubles (before it was 3.537, 3.047 and 2.810 mln rubles, respectively). With 22.6 thsd rubles per ton increased to 24.9 thsd discount on milk with a temperature above 10 degrees. So the difference in the revenue the farmer can be substantial: a kilogram of milk varieties "extra" costs about 4000 rubles - 800 rubles more expensive than the first.

Production of milk in agricultural organizations
(as% of corresponding month of previous year)



LIVESTOCK FARMING

Legal Environment

Belarusian agriculture is under the control of the State, in particular, there is a regulation of sale and purchase prices.

Prices of agricultural products are regulated by the Government of Belarus: prices are set individually for livestock products (milk, pork). It should be noted that the price restrictions are only present on a number of products, mainly in the products without any additives. Due to the regulation of prices for agricultural products, the bulk of the profits of agriculture is concentrated in the processing enterprises of raw materials

Access to raw materials for processing of agricultural products is also regulated at the state level. Every major company has the raw material zone secured for him consisting of agricultural organizations surrounding areas. Raw material zones are assigned to the organization of the relevant decisions of regional executive committees. Processors work with suppliers on a prepaid basis, thereby acting as a support to agricultural enterprises.

Concerning agriculture were developed and implemented the following programs:

Republican program of reconstruction, technical re-equipment and construction of facilities for growing pigs in 2011-2015.

Republican program with modern equipment and facilities organizations of agriculture, construction, repair, modernization of production facilities of these organizations for 2011-2015.

The program for development of the dairy industry in 2010-2015.

State Program on development of fisheries activities for 2011-2015.

Poultry farming development program in the Republic of Belarus in 2011-2015.

Republican target program to improve conditions and safety for 2011-2015.

Production capacity in 2015. Program of development of the dairy industry of the Republic of Belarus

	2012	2015*
Processing of milk, mln tons	7.3	9.2
Issue of dairy products in milk equivalent, mln tons	1.66	2
Issue of cheeses, thsd tons	156.7	203
Issue of butter, thsd tons	132	180
Production of dry milk products (fat and non-fat dry milk, dry whey), thsd tons	57.5	300

Source: Council of Ministers Resolution on 12 November 2010 №1678

Production capacity in 2015. Program of development of potato, vegetable and fruit growing the Republic of Belarus

	2012	2015*
Total production of eggs	2495.1	2743.4
Volume of production of poultry in live weight, thsd tons	407.5	587.5

Source: Council of Ministers Resolution of 28 September 2010 № 1395

LIVESTOCK FARMING

Statistical Annex

Number of agricultural organizations and peasant farms

	2006	2007	2008	2009	2010	2011	2012
Agricultural organizations	1903	1853	1881	1817	1644	1613	1570
Peasant farms	2222	2188	1949	1867	2001	2118	2337

Source - Belstat

The structure of agricultural production by types of farms in the Republic of Belarus (in current prices as a percentage of total)

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Farms of all types	100	100	100	100	100	100	100	100	100
including:									
Agricultural organizations	61.3	61.5	64	67	68.7	63.3	70.9	74.8	76.1
private households	38	37.8	35.2	32.2	30.4	35.7	27.8	24.1	22.6
Peasant farms	0.7	0.7	0.8	0.8	0.9	1	1.3	1.1	1.3

Source - Belstat

Place of the Republic of Belarus in the world in the production of certain agricultural products (cost of goods)

	2006	2007	2008	2009	2010	2011
beef	37	34	35	34	34	35
pork	31	30	28	27	27	28
Cow milk, whole, fresh	27	28	26	24	24	26
Eggs, in shell	37	36	38	37	35	36

Source - Belstat

Production of major livestock products (all farms)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Sales of livestock and poultry, thsd tons:														
live weight	854	898	883	878	930	1024	1121	1176	1209	1335	1400	1464	1557	1669
slaughter weight	598	627	617	605	629	697	767	816	842	921	971	1020	1092	1172
Milk, thsd tons	4490	4834	4773	4683	5149	5676	5896	5904	6225	6577	6624	6500	6767	6651
Eggs, mln pcs.	3288	3144	2923	2824	2950	3103	3337	3228	3312	3430	3536	3656	3846	3961

Source - Belstat

LIVESTOCK FARMING

Statistical Annex

Production of main agricultural products per capita (kilograms)

	2007	2008	2009	2010	2011	2012
Meat and meat products	71	76	78	84	88	88
Milk and dairy products	253	237	228	247	252	281
Eggs and egg products, pcs.	280	283	289	292	310	310
Fish and fish products	17.8	16.1	15.4	15.7	12.6	13.1

Source - Belstat

Production of basic livestock products in 2013

	Livestock and poultry for slaughter (live weight)			Milk			Eggs		
	thsd tons	In % to 2012	Reference: 2012 in % to 2011	thsd tons	In % to 2012	Reference: 2012 in % to 2011	thsd tons	In % to 2012	Reference: 2012 in % to 2011
	Farms of all types								
Belarus	1669	107.2	106.3	6651	98.3	104.1	3961	104.9	103.3
Kazakhstan	1649	100.7	98.8	4888	101.5	92.6	3884	106.3	98.8
Ukraine	3376	108.2	102.9	11501	101.1	102.6	19591	102.5	102.3
Russia	12202	105	106	30661	96.3	100.6	41278	98.2	102.2

Source - Belstat

Food exports of the Republic of Belarus of all, thsd of tons

Name / Years	2000	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
frozen beef	6	43.5	46.6	58.4	41.8	34.5	60.4	55.8	27.1	32.1	52.5
pork	14.4	14.7	23.4	36.8	14.9	31.3	17.1	38.8	51.7	60.4	42.6
poultry	6.8	13.2	10.5	9	7.9	6.2	20.9	38.4	75.0	105.6	106.2
Milk and cream, concentrated	49.9	94.3	119	153	161	167.9	185.2	195.3	186.1	210.1	291.5
butter	17	46.8	51.3	53.6	49.5	61.5	85.5	62.7	64.9	85.2	69.2
Cheese and curd	16.9	53.5	65.1	82.6	99	102	121.4	128.7	132.2	143.3	141.0
Eggs mln pcs	908.4	531	441.8	515.9	437.9	463.5	522.8	551.1	608.6	674.6	850

Source - Belstat

LIVESTOCK FARMING

Statistical Annex

Foreign trade of the most important types of agri-food products the Republic of Belarus, mln USD

types of products	Years					
	2008	2009	2010	2011	2012	2013
Dairy products and eggs						
export	1142	1038	1565	1728.7	1894.3	1782.8
import	46.8	41.8	52.4	37	48	52.0
balance	1095.2	996.2	1512.6	1691.7	1846.3	1730.7
Meat and meat products						
export	479	565	790	850.2	1005.3	988.2
import	171.2	80.2	169	291.4	420.7	283.7
balance	307.8	484.8	621	558.8	584.6	704.5
Fish						
export	17.1	24.4	41.8	24.4	41.7	100.5
import	277.5	256.1	239.6	253.7	307.5	420.4
balance	-260.4	-231.7	-197.8	-229.3	-265.8	319.9

Source - Belstat

LIVESTOCK FARMING

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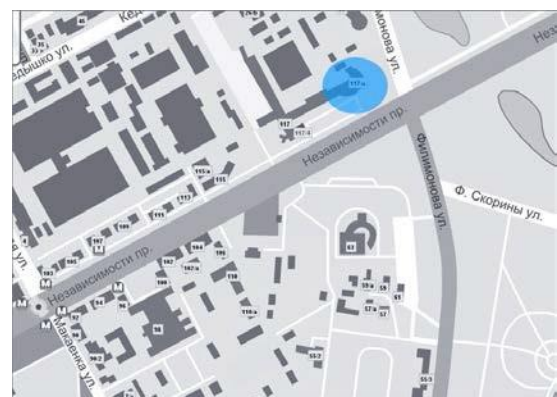
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