The development of agro-industrial complex of the Pskov region
Distinctive features of the Region

- Western gateway To Russia
- Proximity to the major markets of Russia-Moscow and Saint-Petersburg
- Proximity to the Baltic Sea ports
- Proximity to major markets of European Union
- Comfortable transport accessibility
- Comfortable conditions for life
- Affordable infrastructure
- Availability of human resources
- Federal project of SEZ IPT “Moglino”
- Affordable infrastructure
- High potential for business development
Convenient transport accessibility

- **Highways**
- **Key arterial roads**
- **Rail network**
- **Major transport Entry Exit Junctions**
- **Key cities**

**Unique location**

- Tallinn - Pskov 360 km
- Riga - Pskov 300 km
- St. Petersburg - Pskov 280 km
- Moscow - Velikie Luki 450 km
- Moscow - Pskov 750 km
Agro Industrial complex is the priority direction of the region development

Indexes of agricultural production, %

<table>
<thead>
<tr>
<th>Year</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>1.019</td>
</tr>
<tr>
<td>2010</td>
<td>1.008</td>
</tr>
<tr>
<td>2011</td>
<td>1.053</td>
</tr>
<tr>
<td>2012</td>
<td>1.058</td>
</tr>
<tr>
<td>2013</td>
<td>1.128</td>
</tr>
<tr>
<td>2014</td>
<td>1.205</td>
</tr>
</tbody>
</table>

The structure of agriculture

- Crop production: 32.5%
- Livestock: 67.5%
- Others: 29.8%

The structure of the industrial complex

- Manufacture of food products: 28.81%
- Manufacture of electrical and optical equipment: 28.29%
- Metallurgy: 4.97%
- Manufacture of machinery and equipment: 5.2%
- Textile and clothing manufacture: 1.98%
- Others: 30.75%
Traditional areas of agricultural development of the Pskov region

- Dairy cattle
- Pig-breeding
- Aviculture
- Flax growing
- Growing potatoes and vegetables
- Growing of cereals and fodder crops
Characteristics of Agro Industrial complex of the Pskov region

- Rural population – 197 thousand people
- Employment in rural areas – 86 thousand people (43.8%)
- Working directly on agricultural productions – 11 thousand people
- The average salary of workers in agriculture – 210 USD

There are in the region:
- Agricultural organizations: 257
- Farms: 216
- Private farm holdings: 90 thousand

Agricultural products by types of farms
- 56.2% Agricultural Organizations
- 41.2% Owners-operated farms
- 2.6% Household farms

In the region are well represented federal retail chains

5	Магнит	Лента
Potential of the development of the Agro Industrial complex of the Pskov region

- State support
- Favorable conditions for business
- Availability of qualified labor
- Sites for business
- Affordable prices for resources
- There are opportunities for industrial cooperation
- Transport links to major centers of demand
- Experience in implementing investment projects in the field of agriculture
- Sales potential
In order to support agriculture developed the State program of agricultural development and regulation of agricultural products, raw materials and food for 2013 - 2020 years

Directions of support:

1. Grants to support livestock breeding
2. Subsidies for the development of dairy farming
3. Subsidies for agricultural fishery
4. State support crop sub-sector lending
5. Compensation to agricultural crop losses
6. Support for beginning farmers through the provision of grants
7. Support for family livestock farms
8. Lending support small farms
9. Drainage and irrigation work
10. Granting of tax privileges
Favorable conditions for business development

- Individual support of an investor at all stages of project implementation
- Special support measures in strategic sectors (tax privileges, subsidies)
- Support of small and medium enterprises (subsidizing, microloans, sales support)
- Provision of infrastructure (opportunity to join investment programs in the housing and utility sector)
- Quick search for land plots

**Property tax**
- Benefit property tax: 0.01%

**Profit tax**
- Profit tax: 13.5%
- Benefit profit tax: 18%

Tax privileges are provided for 5 years.
**Human resources**

- **Total students**: 27,632 people
- **Graduates in 2014**: 2,380 people
- **30% engineering graduates**
- **30% graduates working skills**
- **Vocational educ.**: 43% 57%
- **Higher vocational educ.**

**Directions of training specialists**

- **Mechanization of agriculture**
- **Electrification and Automation of Agriculture**
- **Agronomy**
- **Veterinary science**
- **Zootechnics**
- **Cynology**

**Average annual salary, USD**

- **Process Engineer**
  - PSKOV: 530
  - Tolyatti: 670
  - Kaluga: 750
  - Lipetsk: 875
  - St.-Petersburg: 950

- **Production worker**
  - PSKOV: 410
  - Tolyatti: 625
  - Kaluga: 650
  - Lipetsk: 760
  - St.-Petersburg: 700

**There are**

- **22 secondary prof. educ. Instit.**
- **12 higher prof. educ. institutions**

The total number of programs prof. training - **80**

**Graduates in the direction of "agriculture"**: 276 people
Resource Centre for Training Agro Industrial complex

- Educational services of the RC (High Educ.)- 9 specialties
  - Professional retraining and advanced training profile on the basic professional educational programs (High Educ.)

- Educational services of the RC (Vocational educ.)- 12 specialties
  - Professional retraining and advanced training the profile major professional educational programs (Vocational educ.)

Number of educational training programs - 29

Increase in labor productivity in agriculture Pskov region, %

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>99,9</td>
<td>100,5</td>
<td>101</td>
<td>102</td>
</tr>
</tbody>
</table>

Reducing skills shortages in the agricultural sector, people

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Need</td>
<td>807</td>
<td>353</td>
<td>310</td>
</tr>
<tr>
<td>Plan training</td>
<td>150</td>
<td>200</td>
<td>230</td>
</tr>
</tbody>
</table>
Investment sites

Investment site in Pskov region

We offer investment sites of various type for production location in any area of Pskov region

Amount of investment sites in the region

«greenfield» 118
«brauwnfield» 36

✓ Quick search for land plots
✓ Individual support of an investor at all stages of project implementation

Moglino SEZ

We offer developed land plots of variable sizes to anchor tenants, OEMs and large scale manufacturers who wish to build themselves

- Investment grade office space of variable sizes with requisite facilities & amenities
- Single / Multi-tenanted pre-built industrial units of various sizes offered to investors
Available infrastructure

Price for technological connection to power supply grid, USD

- St Petersburg: 530 USD
- St Petersburg region: 270 USD
- Tver: 180 USD
- Pskov: 140 USD

The tariff for cold water: 285 USD/1000 м3

The price of electricity (110kV): 50 USD МВт/ч

The tariff for thermal energy: 20 USD/Gcal
Market production of agricultural equipment in Russia

Market capacity of agricultural machinery in Russia - 3.5 billion USD (2014)

The volume of production of agricultural machinery market in Russia - 1.5 billion USD (2014)

The main directions of import substitution, the share of imports of basic agricultural equipment in the Russian market

<table>
<thead>
<tr>
<th>Oversized agricultural machinery</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tractors</td>
<td>50.0%</td>
</tr>
<tr>
<td>Combine Harvesters</td>
<td>34.6%</td>
</tr>
<tr>
<td>Self-propelled foragers</td>
<td>49.3%</td>
</tr>
<tr>
<td>Potato harvesters</td>
<td>81.9%</td>
</tr>
</tbody>
</table>

Small agricultural machinery and attached equipment

| Compact tractors                              | 98.6% |
| Plows                                         | 82.4% |
| Machines for soil fertilizer                  | 92.6% |
| Cultivators                                   | 90.4% |
| Potato planter                                | 93.3% |
| Tillers and cultivators                       | 44.9% |
| Seeding                                       | 41.5% |

Livestock equipment

| Milking machines                              | 39.3% |
| Autodrinkers for pigs                         | 52.3% |
| Autodrinkers for cattle                        | 20.2% |
Opportunities for business location in the production of agricultural machinery

- Production of manipulative auto-loaders
- Manufacture of special trucks, tractor trailers, reversible plough
- Manufacture of machinery products for forestry and forest industry
- Production of tillage equipment
- Delivery of agricultural machinery to manufacturers from production plants (LLC "Permagromash" Absheron plant "Lesselmash", JYMPA, Technoservice, Kharkiv Tractor Plant, "Gomselmash" Minsk Tractor Works "Bobruiskagromash", "Lidmelmash", JSC "Orshaagroprommash")
- Maintenance of agricultural machinery and special purpose equipment
- Manufacture of mounted plows for tractors low and medium capacity, and for powerful tracked and wheeled tractors (T150)
Cluster of production of agricultural equipment in the SEZ "Moglino"

In Pskov are producing

- electrical systems for agricultural machinery, transformers,
- mobile lifting equipment,
- Truck trailer equipment,
- logging and tree-planting machine,
- means of mechanization,
- Equipment for the production of pelleted feed,
- Biomass Processing Plants,
- corrugated cardboard

The raw material base of the Pskov region:

- industrial wood,
- Peat lands,
- limestone, sand, plaster,
- refractory and fusible clay,
- raw materials for the production of mineral pigments.

Farm equipment sector—40 ha
Land of 1.5 hectares of any configuration
Potential for sales

Benefits for Sales

- Possibility of cooperation
  Branch of agriculture and food production in Pskov has significant size and traditionally attracts more than 10% of the total investment in the region.

- Depreciation and replacement of agricultural equipment and machinery
  There is a significant need for replacement equipment for agricultural enterprises in Russia, as more than 70% of agricultural equipment is worn out, and 90% is out of date.

- Import substitution
  Foreign imports currently account for 50% of total sales in Russia.

- Sales market
  The region has a range of targeted consumers in the form of numerous farms.

- Convenient transport logistics
  Has a high quality logistics infrastructure for the promotion of exports to the centers of demand.

Close proximity to major original manufacturers such as:
- John Deere, AGCO Machinery,
- «Russian machines» (Moscow),
- «Bryanskselmach» (Bryansk), «Peterburgsky tractor plant» (St.-Petersburg)

and to the major markets of agricultural products
- Moscow, St. Petersburg
Thank you for your attention!