



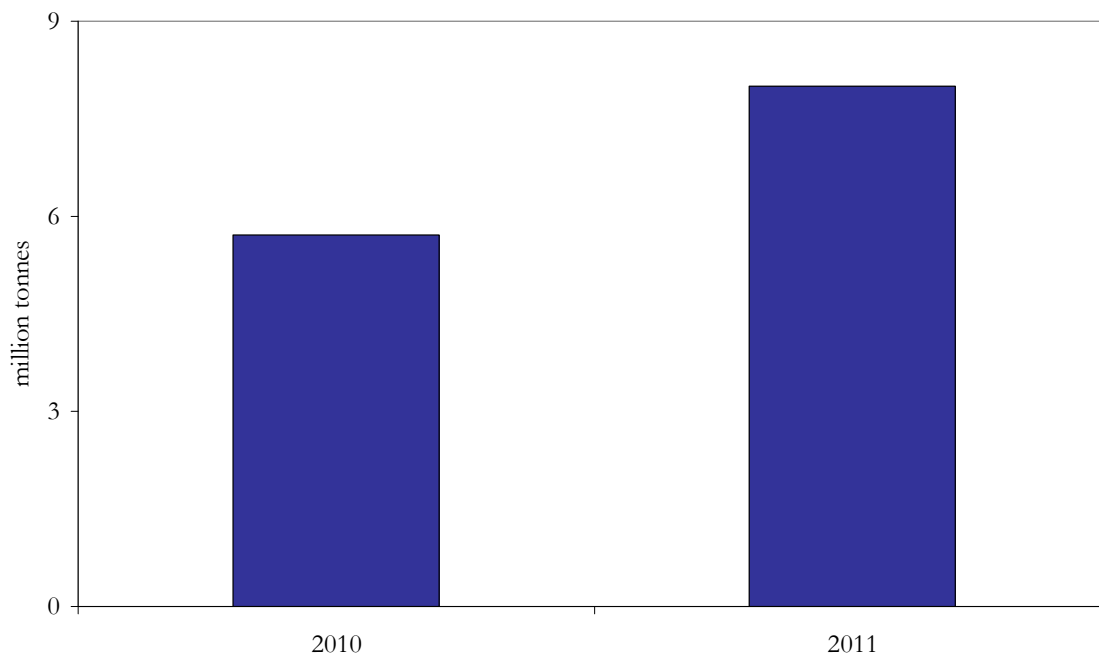
THE AGRICULTURAL EQUIPMENT MARKET IN CE, SE AND EASTERN EUROPE

ROMANIA
UKRAINE
TURKEY
RUSSIA

Romania

In 2011, Romania recorded one of the highest wheat production in the recent years, of some eight million tonnes, up by 40% compared to 2010.

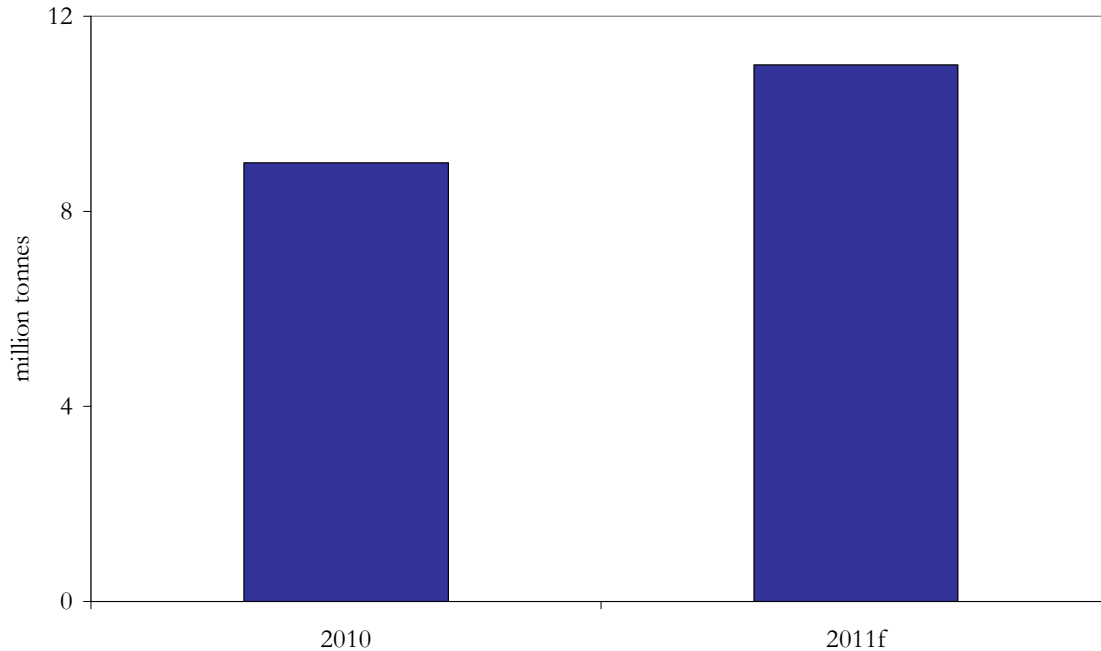
Wheat production in Romania



Source: business publications

The corn production in Romania in 2011 is estimated at 11 million tonnes, up by some 22% compared to 2010.

Corn production in Romania



Source: Ministry of Agriculture and Rural Development

In 2010, the vegetal production in Romania recorded some 10.3 billion EUR. The Romanian production of cereals increased by 12% in volume in 2010 compared to 2009. The animal production in Romania registered some 4.8 billion EUR in 2010.

According to the Ministry of Agriculture and Rural Development, the Romanian vegetal production in 2010 included:

- wheat and rye: 5,808.5 thousand tonnes
- barley: 1,314.1 thousand tonnes
- oat: 324.5 thousand tonnes
- corn - grains: 9,008.2 thousand tonnes
- rice: 61.9 thousand tonnes
- sunflower: 1,267.4 thousand tonnes
- rape - oil: 943 thousand tonnes
- soy: 149.9 thousand tonnes
- sugar beet: 837.9 thousand tonnes
- potatoes: 3,283.9 thousand tonnes

In the recent years, an increase in the acquisition of imported agricultural machines and equipment has been recorded in Romania, mainly thanks to the EU funds available.

The Measure 121: Modernisation of Agricultural Holdings within the Axis 1: Improving the competitiveness of agricultural and forestry sector of the National Rural Development Programme 2007 – 2013, finances investments for the acquisition of tractors, agricultural machinery and other equipment specific to the vegetal and animal sectors, through public assistance (EU and national) and private co-financing.

By 16 September 2011, within the Measure 121 in Romania, 2,033 projects with the public value of 826,030,275 EUR have been approved.

According to the Financial Companies Association - ALB Romania, the agriculture accounted for 8% in the Romanian leasing market for equipment financing in 2010.

According to BCR Leasing, the value of the financing granted by the leasing companies in Romania for agricultural equipment was of some 20 million EUR in 2010.

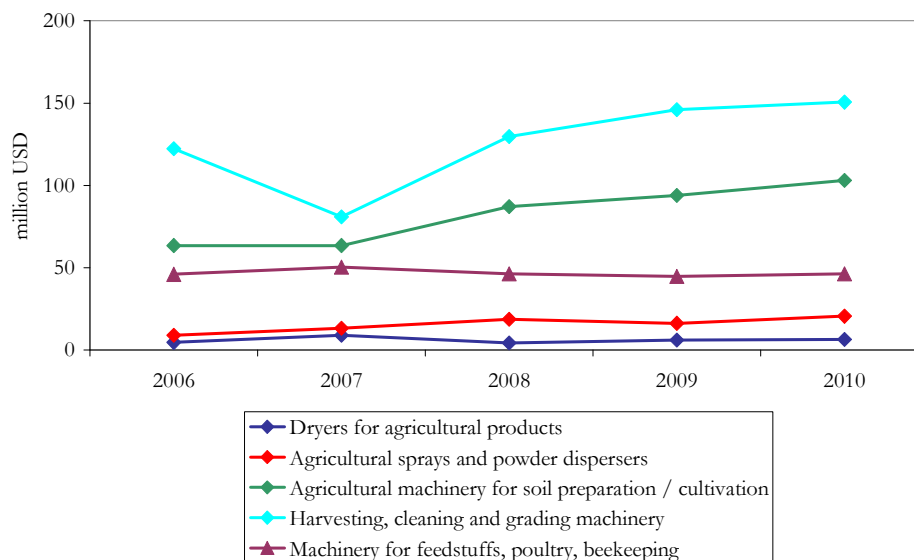
According to the Ministry of Agriculture and Rural Development, the fleet of agricultural machines in Romania in 2010 included:

- 180,433 tractors
- 142,671 tractor ploughs
- 25,285 cereals combines
- 69,337 mechanical seeders.

Y/y increases of the Romanian imports of agricultural equipment in 2010 were recorded for:

- agricultural sprays and powder dispersers: approx. 27%
- agricultural machinery for soil preparation / cultivation: approx. 10%
- dryers for agricultural products: approx. 8%
- machinery for feedstuffs, poultry, beekeeping: approx. 4%
- harvesting, cleaning and grading machinery: approx. 3%

Imports of agricultural equipment in Romania



Source: Romanian Center for Trade and Investment

Ukraine

According to the State Statistics Service of Ukraine, the production of main agricultural crops in 2011 (as of 1st of November) in Ukraine is as follows:

- grain and leguminous (without the cleaning): 50,543.4 thousand tonnes
- sugar beet (factory): 15,019.8 thousand tonnes
- sunflower seeds (without the cleaning): 8,697.5 thousand tonnes
- potatoes: 24,053 thousand tonnes
- vegetables (grown in the open): 9,051.8 thousand tonnes

The animal production in the period January - October 2011 in Ukraine, according to the State Statistics Service of Ukraine, is as follows:

- meat (in live weight): 2,370.8 thousand tonnes
- milk: 9,625.3 thousand tonnes
- eggs: 15,972 million pieces

In the first eight months of 2011, the agricultural producers in Ukraine purchased over 10,000 units of agricultural machinery with the value of some 400 million USD. This considerably exceeds the values of the two previous years during the same periods of time.

According to representatives of the Ministry of Agrarian Policy, the agricultural machinery building sector in Ukraine is able to produce annually up to 300 units of grain harvesters and about 5,000 tractors, which does not meet the entire needs of the farmers.

The deficit in agricultural machinery and equipment is partially covered by the imports.

The Ukrainian State offers financial support for the purchase of the exclusively innovation samples produced by foreign manufacturers.

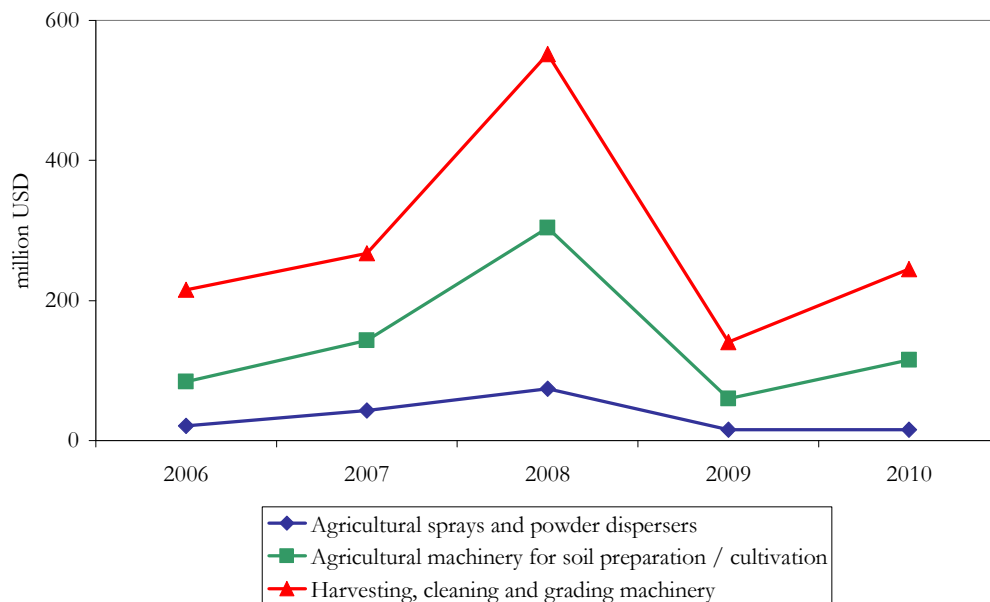
The Ministry of Agrarian Policy together with leading scientific entities studied a list of foreign new agricultural machinery and equipment to be purchased by agricultural enterprises in 2011 - 2013.

Also, the draft state budget for 2012 provides for a partial compensation of the cost of complicated agricultural machinery produced in Ukraine.

The imports of the agricultural machinery in Ukraine recorded growths in 2010 compared to 2009 for the following categories:

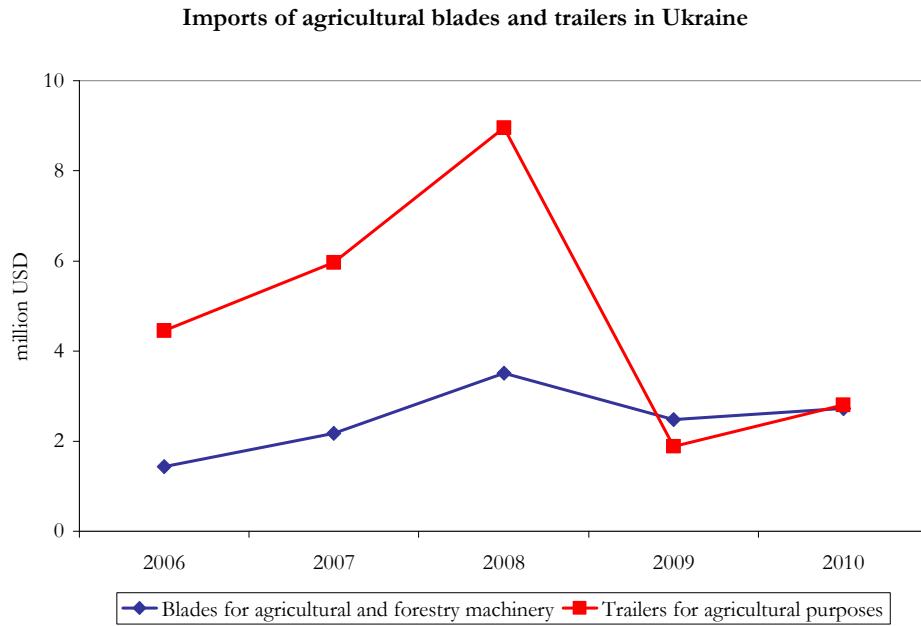
- agricultural machinery for soil preparation / cultivation: approx. 93%
- harvesting, cleaning and grading machinery: approx. 74%
- agricultural sprays and powder dispersers: approx. 1%

Imports of agricultural machinery in Ukraine



Source: State Statistics Service of Ukraine

The imports of the trailers for agricultural purposes in Ukraine recorded some 2.8 million USD in 2010, up by some 49% compared to the previous year. The Ukrainian imports of the blades for agricultural and forestry machinery recorded a y/y growth by some 10% in 2010.



Source: State Statistics Service of Ukraine

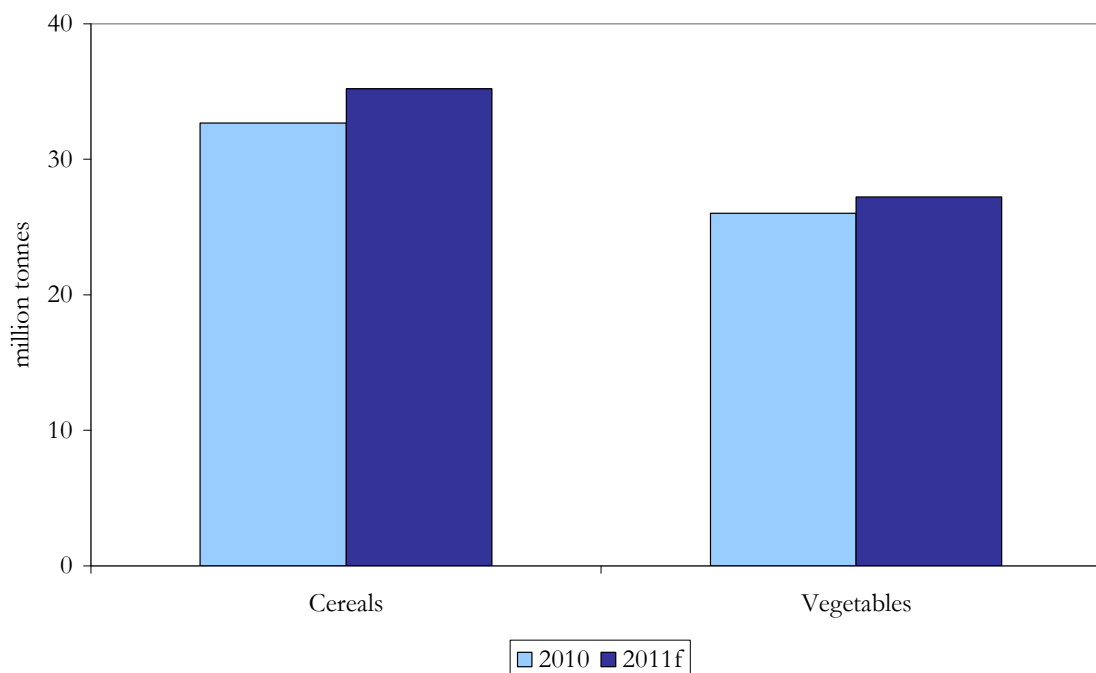
Turkey

According to the Turkish Statistical Institute, in 2010 the agriculture represented 10.1% of GDP and 24.7% of employment in Turkey.

According to the estimations of the Turkish Statistical Institute for 2011, the production of cereals is forecasted to record 35.2 million tonnes, up by 7.6% compared to 2010.

Also, the production of vegetables is expected to register 27.2 million tonnes in 2011, this representing a growth of 4.6% compared to the previous year.

Crop production in Turkey



Source: Turkish Statistical Institute

According to the Turkish Statistical Institute, the fleet of agricultural machines and equipment in Turkey in 2010 included:

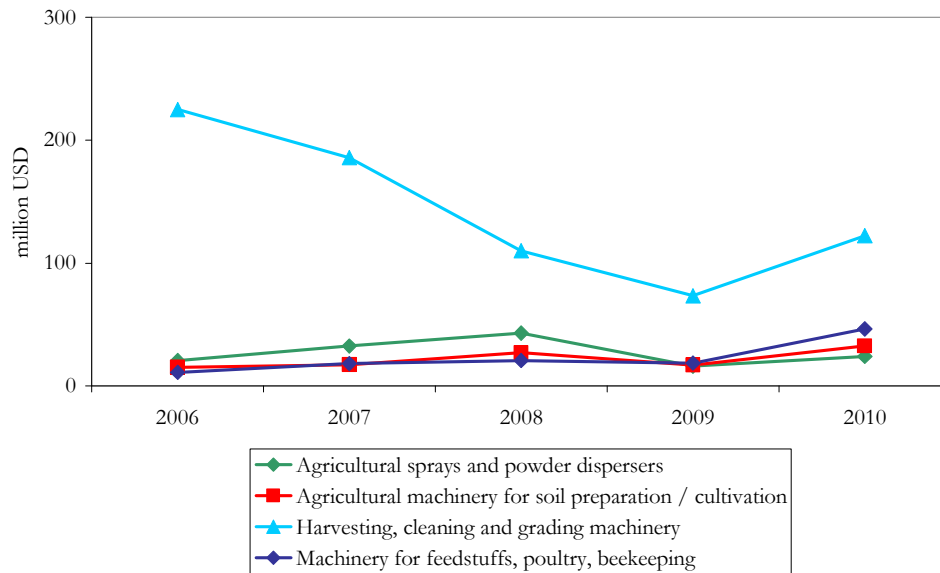
- 13,799 combine - harvesters
- 1,096,683 tractors

According to the Multi - Annual Indicative Financial Framework of the Instrument for Pre - Accession Assistance (IPA), for the years 2011 – 2013, Turkey will receive an indicative allocation of 2616.9 million EUR of pre-accession funds. The agriculture and rural development will receive 23% of the IPA funds.

In 2010 compared to the previous year, increases of the imports of agricultural machinery in Turkey were recorded as follows:

- machinery for feedstuffs, poultry, beekeeping: approx. 148%
- agricultural machinery for soil preparation / cultivation: approx. 92%
- harvesting, cleaning and grading machinery: approx. 67%
- agricultural sprays and powder dispersers: approx. 48%

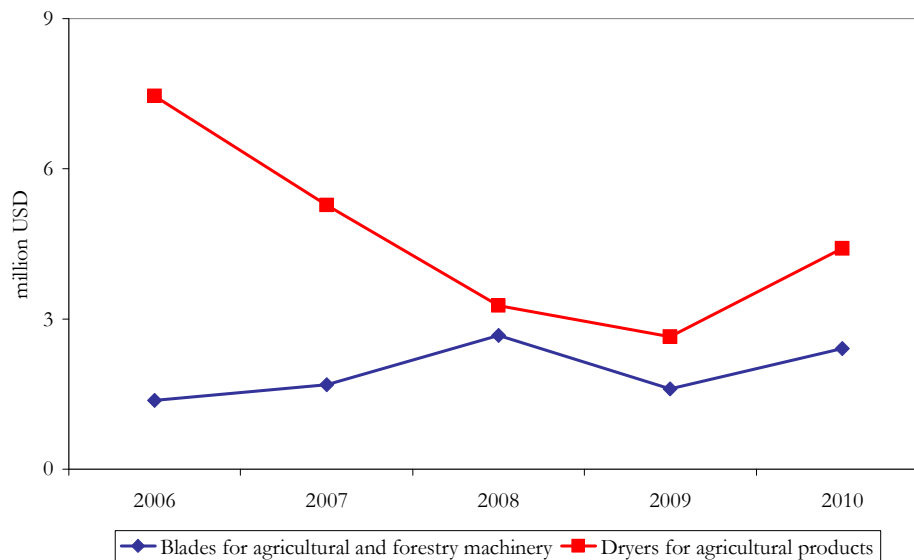
Imports of agricultural machinery in Turkey



Source: Turkish Statistical Institute

The imports of the dryers for agricultural products in Turkey recorded a y/y increase of approx. 67% in 2010, reaching some 4.4 million USD. Also, the Turkish imports of the blades for agricultural and forestry machinery recorded a growth of some 51% in 2010 compared to the previous year.

Imports of agricultural blades and dryers in Turkey



Source: Turkish Statistical Institute

Russia

Russia is one of the largest grain producers in the world.

In its November World Agricultural Supply and Demand Estimates, the United States Department of Agriculture forecasts a 2011 -2012 wheat production of 56 million metric tons in Russia.

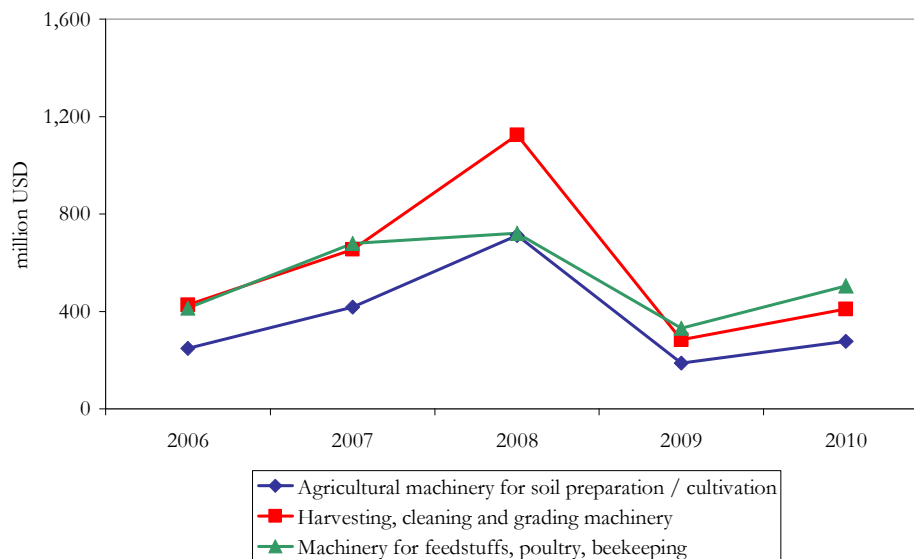
According to AgroFarm Russia, some 250,000 smallholdings and 15.5 million homesteads account for 48% of the meat production and 56% of the milk and dairy production in Russia. Thus, these farming structures play an important role in the animal husbandry sector in Russia.

In recent years, the Agricultural Ministry in Russia provided subsidies to encourage the development of the small agricultural enterprises in the rural areas. This includes a programme for promoting the smallholder dairy production.

Increases of the Russian imports in 2010 compared to the previous year were recorded by the following categories of agricultural machinery:

- machinery for feedstuffs, poultry, beekeeping: approx. 53%
- agricultural machinery for soil preparation / cultivation: approx. 47%
- harvesting, cleaning and grading machinery: approx. 45%

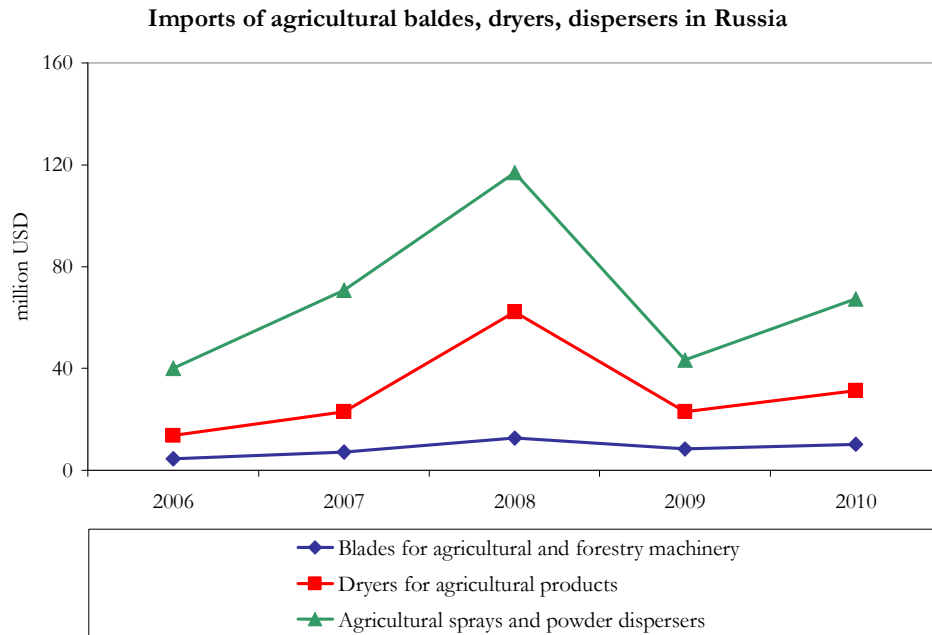
Imports of agricultural machinery in Russia



Source: Russia State Customs Committee

Other increases of the imports in Russia in 2010 compared to 2009 were recorded as follows:

- agricultural sprays and powder dispersers: approx. 55%
- dryers for agricultural products: approx. 36%
- blades for agricultural and forestry machinery: approx. 23%



Source: Russia State Customs Committee

Sources:

Ministry of Agriculture and Rural Development Romania
Payment Agency for Rural Development and Fishing Romania
United States Department of Agriculture
European Commission
Romanian Center for Trade and Investment
State Statistics Service of Ukraine
Russia State Customs Committee
Turkish Statistical Institute
AgroFarm Russia
Daily Business
Ukrinform
Ziarul Financiar

This demo sector brief is produced by FRD Center Market Entry Services – www.frdcenter.ro - a privately owned market entry consulting firm based in Romania.

FRD Center offers tailor-made market intelligence, B2B matchmaking and market access consulting services to foreign organisations interested to enter the emerging markets in Europe as exporters, consultants, investors or joint-ventures, to relocate their operations, or to source in CE, SE and Eastern Europe.

Our services include:

- market research, investment opportunities assessment, sector studies, market briefs
- identification and qualification of B2B distributors, importers, suppliers etc.
- product presentation and assessment of interest from clients / partners
- pre-M&A business support and research
- identification of market opportunities: exports, sourcing, B2B sales etc.
- trade missions, business itineraries, inward buyer missions

FRD Center is the Global Intelligence Alliance Research Partner for Romania, a member of the Global Consulting Network-GCN, of the Expansion Alliance Group, of International Subsidiary Development Inc. and of EMERGY International network.

Disclaimer:

Whilst every care is taken in compiling this report, no responsibility is taken for errors or omissions. FRD Center guarantees that this information, collected and generated, has been operated in a professional manner and best efforts were applied with a view to offering accurate and complete results. However, FRD Center will not be held liable for any damage or loss resulting from the use of the information contained herein.

For tailor-made market research and market entry support to the markets in CE, SE and Eastern Europe, please do not hesitate to contact our team directly.

FRD Center Market Entry Services

Bucharest ROMANIA

www.market-entry.ro

Contact: Jackie Bojor, Director

europa@frdcenter.ro