

Agri companies withdrawing from Russia

After more than a month of war in the Ukraine, the commercial effects of the war can be noted as quite a few companies around the globe have withdrawn from Russia. This phenomenon also applies to the agricultural industry, where some companies suspended or limited their activities.



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Existing sanctions put in place by Western governments may not always apply to agriculture, as this business is related to primary food production. In addition, for some companies, doing business with Russia was already made difficult due to earlier sanctions related to African swine fever (ASF) or the annexation of Crimea in 2014.

Agribusinesses who will withdraw from Russia

The Danish agribusiness cooperative DLG is pulling out of Russia. It announced that it will stop all its commercial activities, including its production of vitamins and minerals. According to the Danish agricultural media title Landbrugsavisen, the cooperative shared the message in a short announcement earlier this month. “DLG will stop all commercial activities in Russia. This includes the partial ownership of a company that produces and sells vitamins and minerals. In addition, DLG’s imports of goods from Russia and Belarus as well as sales to the two countries will be stopped.”

Danish pig breeder DanBred also announced the termination of all activities with its subsidiary in Russia. For reasons of sanctions as well as safety, the company decided to stop all trade with Russia, and shut down all activities for the subsidiary and its employees in Russia.

In a press release, CEO Claus Fertin, stated on behalf of the genetics company: "So far, we have kept it open. However, we will terminate all activities for the subsidiary in Russia. This will affect several customers in Russia, so it is pretty serious. We also have Danish-owned customers who will be affected by this. But we cannot defend being present in Russia now."

Netherlands-based animal nutrition company Agrifirm, also decided to withdraw completely from Russia, where it had a 'limited activity.' In a news article in the Dutch agricultural title Food & Agribusiness the company said it wants to stop an existing joint-venture – a development that had already been initiated in an earlier stage. In addition, all Agrifirm sales will be stopped.

Animal feed company Cargill shared that whilst it is continuing to operate its food and animal feed facilities, it will scale down some of its business operations in Russia and discontinue further investments. The company has 2,500 employees in Russia.

Similarly, also Archer Daniels Midland (ADM) announced a scale down of Russian operations.

In the business of agricultural machinery, a stronger reaction to the Russian invasion could be noted. Case New Holland suspended all shipments to Russia and Belarus. Furthermore, John Deere and Caterpillar announced suspension of operations at its plants in Russia.

Meanwhile Dutch machinery and equipment manufacturer, Lely, a large player in the dairy industry, has also discontinued commercial activities in Russia and Belarus.

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