

Gulfood
2020



THE MILKY WAY OF RUSSIA - STRATEGIES OF DAIRY FARMERS



INTRODUCTION



My name is Andrey Shutov, I am a managing shareholder of Komos Group, Udmurtia, Russia. We produce pork, chicken meat, shell eggs, and dairy products as well.

This is a brand number 1

KALASHNIKOV



... and this is a brand number 2

SELO ZELYONOE



<https://drive.google.com/open?id=158TkpvKmX-9cZZdZIL1acpkraq4xfiyz>

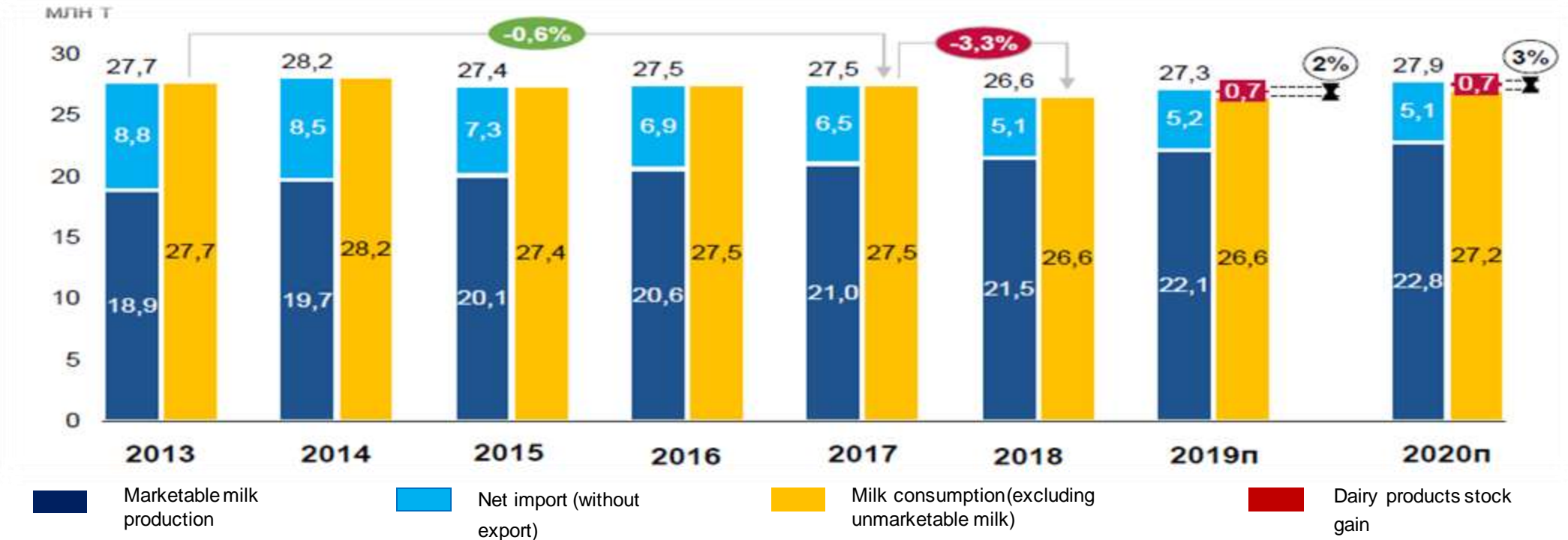
INTRODUCTION

Use this QR code to download the presentation



COW MILK PRODUCTION IN RUSSIA

Dynamics of Production, Consumption, Import and Inventory of Marketable Milk and Dairy Products from 2013 to 2018, Forecast for 2020



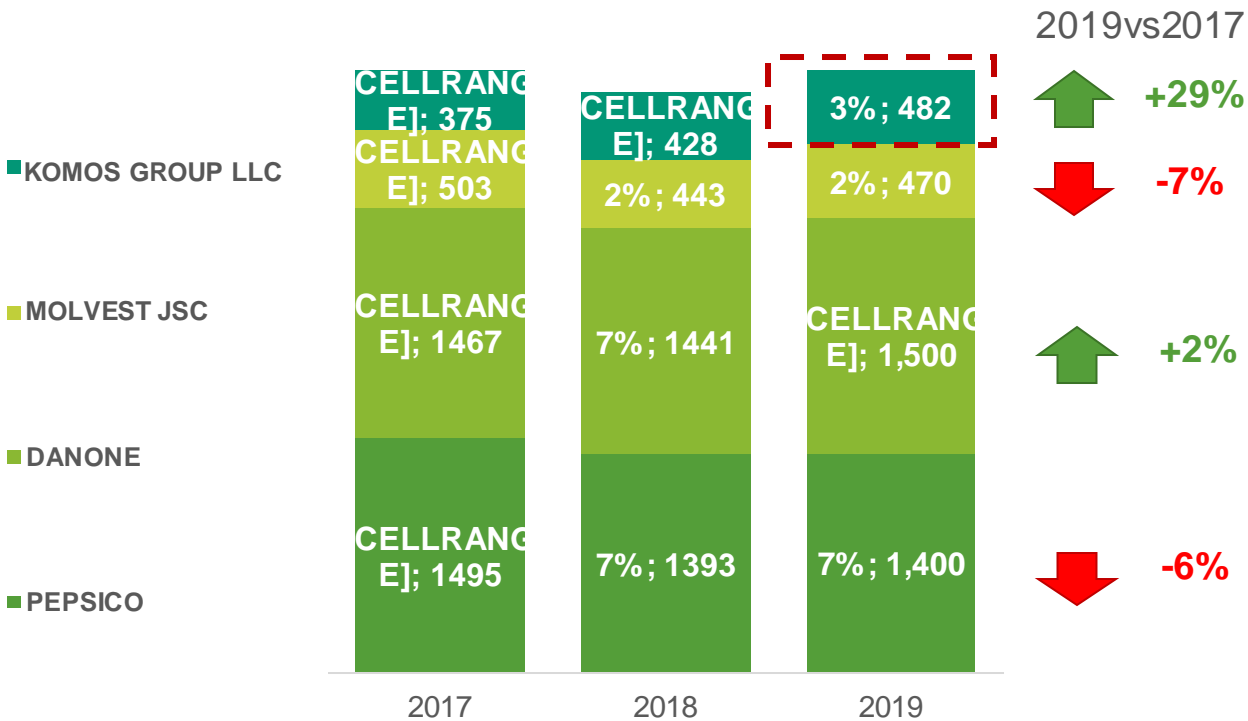
- In Russia, in 2019 total consumption of milk and dairy products (excluding non-marketable milk) was 26.6 mln t, approx. as in 2018.
- Projected growth of milk and dairy products consumption is from 1 to 2% per year.
- From 2018 to 2019 dairy products import attained a 15 years minimum.

*Source: MilkNews according to Russian Federal State Statistics Service (FSSS)
Marketable milk is produced and processed milk.

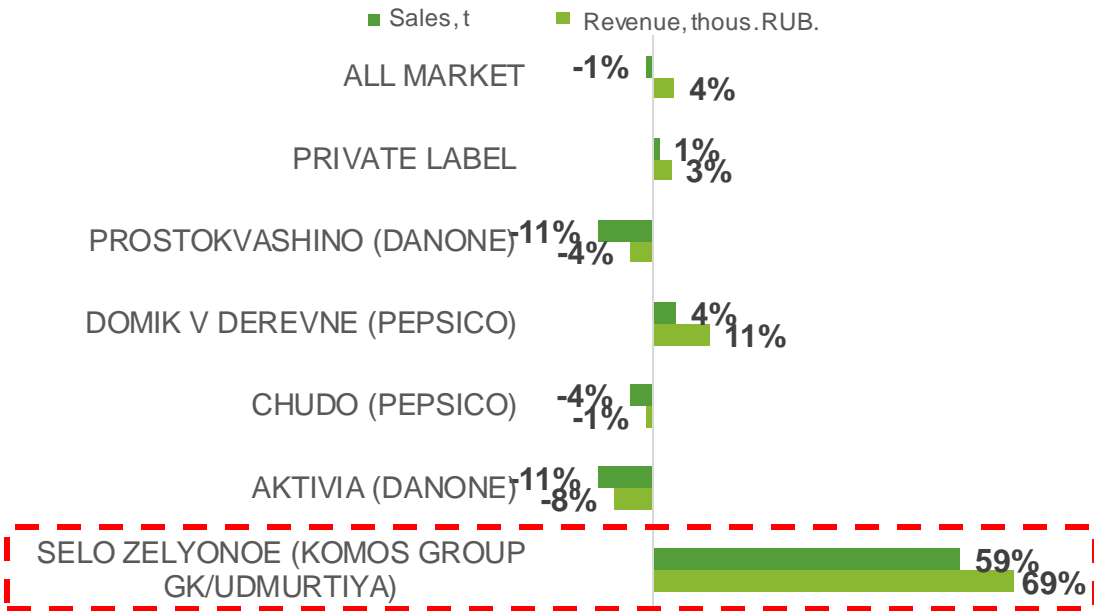
OUR GOAL IS TO BECOME NO. 1 NATIONAL COMPANY IN THE COMPETITION WITH INTERNATIONAL COMPANIES



TOP Milk Processors of Russia, thous. tons



YTD Nov'2019 vs YTD Nov'2018



- The brand SELO ZELYONOE showed the best sales dynamics among top brands (+69% revenue growth and +59% sales growth).

KOMOS GROUP SUCCESS FACTORS



1. LOCATION OF PRODUCTION FACILITIES IN THE AREAS WITH SURPLUS OF MARKETABLE MILK, REMOTE FROM MEGALOPOLISES.
2. STATE-OF-THE-ART TECHNOLOGY AND HIGH QUALITY OF PRODUCTS.
3. WELL-DEVELOPED BRANDS TO MEET THE DEMANDS OF MODERN CONSUMER TRENDS.



KOMOS GROUP SUCCESS FACTORS



1. FAVOURABLE LOCATION. AREAS WITH SURPLUS OF MILK.

500

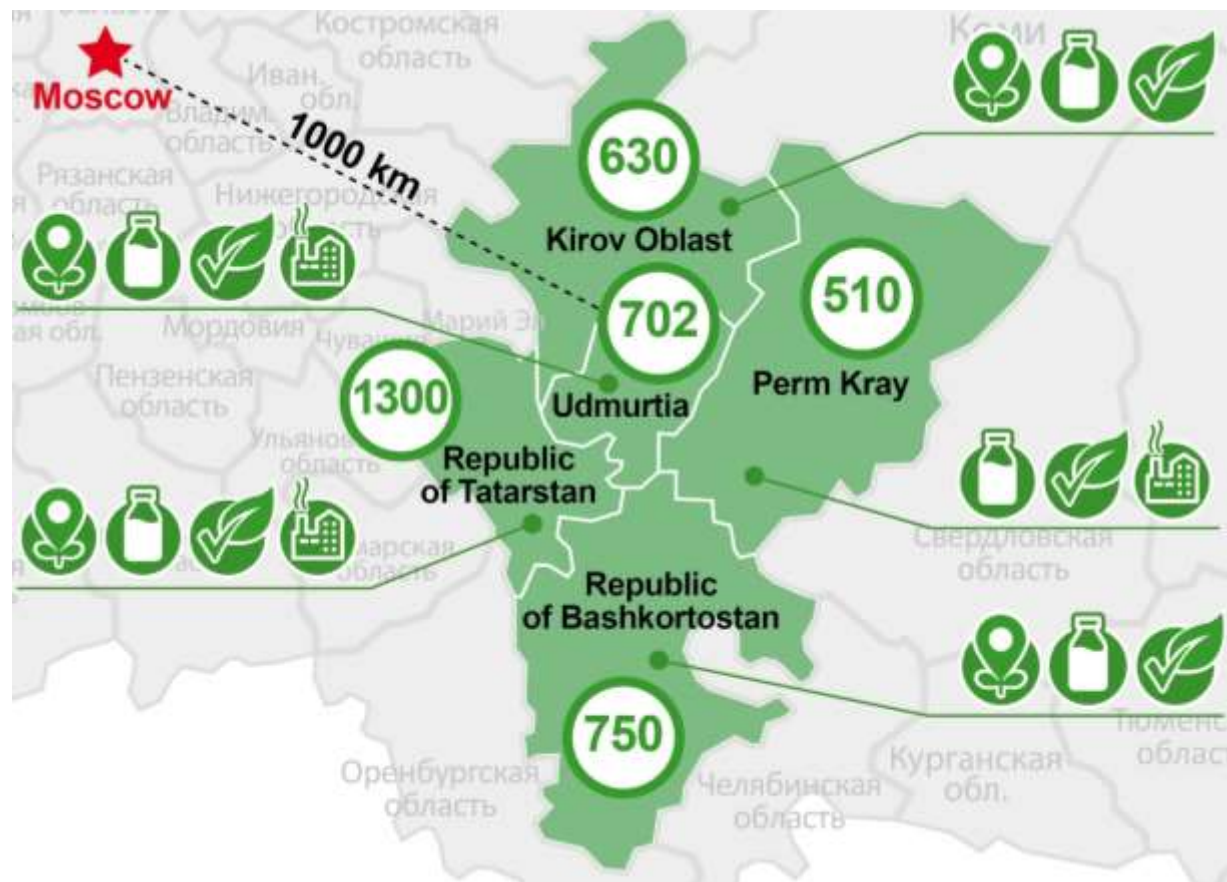
RAW MILK PRODUCTION IN THE REGION (THOUS. TONS)



REGION WHERE A LOT OF MILK IS MADE!



REGION OF PRODUCTION FACILITY LOCATION



ECOLOGICALLY CLEAN REGION



MINIMUM AMOUNT OF FERTILIZERS, HERBICIDES, PESTICIDES IN THE SOIL

- minimum amount of mineral fertilizers per 1 ha of farm field (20 kg of active material), it is 20 times less than in China and from 10 to 15 times less than in Europe;

- in 10% of the planted area, fertilizers are not used.

Source: *Souzmoloko

KOMOS GROUP SUCCESS FACTORS



2. FOCUS BRAND SELO ZELYONOE. THE TREND IS ORGANIC



Benefits:

- eco,
- care for the health of the whole family.

3.23 bln

+ 1.55 bln VS 2016



2017

6 bln

+ 2.75 bln VS 2017



2018

9.6 bln

+ 3.6 bln VS 2018



2019

14.2 bln

+ 3.6 bln VS 2019



2020

KOMOS GROUP SUCCESS FACTORS

3. THE TRENDS ARE HEALTHY LIFESTYLE AND FUNCTIONALITY



Benefits:

- protein-enriched,
- vitamin-enriched,
- calcium-enriched,
- low sugar.



**SMART
MILK**

KOMOS GROUP SUCCESS FACTORS

4. THE TRENDS ARE HEALTHY LIFESTYLE AND FUNCTIONALITY



A LOT OF PROTEIN

NO
SUGAR

30^{GR}
OF PROTEINS

1%
FAT

Benefits:

- low sugar,
- low fat,
- protein-enriched,
- superfood - berries, fruits, cereals supplement,
- prebiotics & probiotics-enriched.



5. THE TRENDS ARE INDIVIDUALITY AND PLEASURE

ANGELĀTŌ



Pleasure



Variety
of tastes



Exclusive

Benefits:

- new impressions,
- an unusual combination of tastes.



KOMOS GROUP SUCCESS FACTORS

7. EXPORT IS OUR GOAL.



NEW TRENDS

DAIRY PRODUCTS AS INGREDIENTS

KOMOS GROU makes both B2B and B2C products



Milk and cream as ingredients of cappuccino



Cheese as an ingredient of pizza



Cheese as an ingredient of salad



Butter as an ingredient of pastry



Changes in consumption result in conventional milk consumption replaced with consumption of dairy products as ingredients.

WHAT IS MORE USEFUL?

ABOUT PLANT-BASED DRINKS* IN RUSSIA

1%

- the share of plant-based drinks in dairy products is extremely small

60%

- of the products are sold in Moscow and St. Petersburg
- the cost of cow milk

49 RUB/l

120 RUB/l

- the cost of oat milk

230 RUB/l

- the cost of soy milk

220 RUB/l

- the cost of coconut milk

420 RUB/l

- the cost of almond milk



Comparative analysis of nutritional value per 100 g of product

Name	Proteins, g	Fats, g	Carbs, g
3,2% oat drink	1,0	3,2	6,5
3% almond milk	0,9	3,0	3,8-5,6
2,0% soy milk	2,6	2,0	8,6
3,2% milk	3,0	3,2	4,7

* includes soy, almond, coconut, oat, rice milk and their mixture

Source: Nielsen
*May 2018 to April 2019

Thanks for your time!

