

# BUSINESS MODEL

The business model of Rusagro is based on vertical integration. The Sugar, Meat, and Oil and Fats Businesses have in place fully integrated production systems, with raw materials supplied by the Agriculture Business. With the vertically integrated structure, the business can exploit advantages of diversification, guarantee the supply of raw materials with minimum transportation costs, and effectively manage all elements of the value chain.

A high level of vertical integration both within each of the businesses and between the segments gives Rusagro a competitive edge in the markets, ensures superior production efficiency and financial stability. In order to gain maximum benefits of each business, the Company adopted a flexible commercial policy that does not restrict the sales of products to third-party companies.



The Agriculture Business supplies Sugar Business with sugar beet, sells grains to Meat Business for feed production and provides Oil and Fats Business with soybeans and, if needed, with sunflower seeds.

For more details on the business  
see page 36 →

## DAIRY PRODUCTS BUSINESS

The Dairy Products business produces cheese and cheese product, butter and spread, cream and dry whey. Since 1Q 2021 it is under control of Oil and Fats Business.

For more details on the business  
see page 110 →

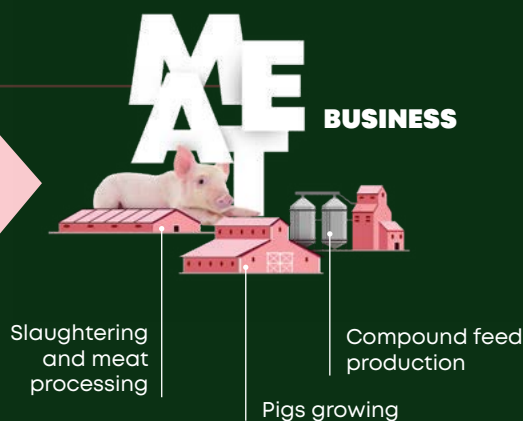


All of the home-harvested beets are used by the Sugar Business. The beets are sourced from the nearby territories, thus minimising transportation costs. Pulp, molasses, betaine, and sugar beet lime are sugar processing co-products. Pulp is exported, while sugar beet lime is used as soil amendment. The two molasses desugarisation facilities recovers sucrose extract to produce additional sugar, and betaine is exported. The Company sells its sugar and cereals under six different brands.

**B2C** > Sugar, cereals

**B2B** > Sugar, betaine, molasses, pulp

For more details on the business  
[see page 96](#) →



Grain is supplied to compound feed mills of the Meat Business. The breeding farms raise young pigs and improve pig breeds. Piglets for fattening and young animals for breeding replacements are grown on the breeding unit. The output of meat processing facilities includes finished products sold under own private brand. Waste is sent to deeper processing - products used for the production of animal feed, thereby closing the production cycle.

**B2C** > Large cuts, portion cuts, small cuts, minced meat

**B2B** > Pigs, half-carcasses, industrial cuts, offal, waste recycling products

For more details on the business  
[see page 78](#) →

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MEAL



The Agriculture Business sells soybeans and sometimes sunflower seeds to the Oil and Fats Business. It processes them into oil, which is further sold to third parties or is used for the production of oil and fat products that are sold under eleven brands. Part of the meal is sold to Meat Business to produce feed for pigs. Industrial fats are used to make spreads and cheese products.

**B2C** > Bottled vegetable oil, mayonnaise and sauces, margarine and spreads, jams, soap

**B2B** > Industrial fats, vegetable oil, meal

For more details on the business  
[see page 54](#) →