DEVELOPMENT OF AN AGRO-LOGISTICAL NETWORK
OF WHOLESALE AND DISTRIBUTION HUBS
DRIVES GROWTH OF EXPORT SALES
OF AGRIBUSINESS PRODUCE

Project to establish
an export-import agro-logistical hub
in the Primorsky Region
Insufficiently developed logistics, disintegration of local markets and regional discrepancies are the main challenges in balancing the domestic market of agro produce and in making full use of the export potential of Russia.

**Federal network of wholesale distribution hubs** — the specialized agro-logistical infrastructure for collecting, processing, storage and sales of domestic agro-industrial products necessary for the organization of their distribution between Russia regions and sales including export.

On May 1, 2014, President Putin signed Executive Order #Pr-995GS for development of a federal agro-logistical network of wholesale and distribution hubs.

On January 21, 2016, the Russian Government approved a basic layout for placement of wholesale and distribution hubs (Protocol # AD-P11-4pr).
1. THE «POGRANICHNY – SUIFÉNHÉ» TRANS BORDER FREE TRADE ZONE
The «Pogranichny – Suifenhé» trans border free trade zone is a trading and exhibition complex (export show window), with logistical and production facilities in the territory of advanced development enjoying easy customs and taxation regimes.

2. «DRY PORT»
A «Dry Port» is a logistical and warehousing platform providing connectivity with the Trans Siberian Railroad, formation (loading/unloading) of cargo trains and routing of shipments in the vicinity of the Ussuriisk City.

3. A SYSTEM OF SPECIALIZED SEAPORTS
A system of specialized seaports of the Vladivostok City and adjacent territories (Nakhodka, Slavyanka, Zarubino) intended to handle agribusiness produce (fish, grains, oilseeds, food products, etc.)
The Ussuriisk transportation and logistical hub has always been and is the center for routing flow of goods in the Primorye Region, as it sits on the railway fork of the Trans Siberian Railroad leading to Zarubino and Nakhodka in relative vicinity of Vladivostok — the main consuming center of the region (85 km).

The «Dry Port» as a logistical and warehousing platform will comprise:

- wholesale and distribution center with a capacity of warehousing at least 40 thousand tons of goods at any time
- container terminal of the 5 thousand TEUs capacity
- export oriented processing facilities
- trading and exhibition pavilions and offices

The key function is to form (loading/unloading) cargo trains and route export and import shipments through:

- a system of specialized seaports of the Vladivostok City and adjacent territories (Nakhodka, Slavyanka, Zarubino) — to Asia-Pacific nations
- the «Primorye-1» (Grobezovo) and «Primorye-2» (Krasnaya) international transportation corridors to — China

A plot of land of 106 hectares is available to accommodate the project in the immediate vicinity of the Ussuriisk-2 railway station

- potential investors are TIGER, STS, VEB, Dealim (Korea)
- completion — by 2020
THE «POGRANICHNY – SUIFENHE» TRANS BORDER FREE TRADE ZONE

- is a trading and exhibition complex (export show window), with logistical and production facilities in the territory of advanced development enjoying easy customs and tax regimes
- is intended to be located between Pogranichny (Russia) and Suifenhe (China) in the vicinity of the Pogranichny (Gradekovo) international vehicular border crossing
- is intended to become a key element of the infrastructure of the «Primorye-1» land transportation corridor to China (distanced at 100 km from the center of routing of shipments in Ussuriisk)

The «Pogranichny - Suifenhe» trans border free trade zone will comprise:

- warehousing facilities (bonded warehouses) for facilitation of wholesale
- duty-free pavilions for retail sales of Russian agro produce
- the largest cash & carry supermarket in the region
- a logistical complex to support online sales
- facilities to process agro produce under customs control

A plot of land of 230 hectares is available to accommodate the project in the immediate vicinity of the Pogranichny (Gradekovo) international vehicular border crossing

- potential investors are TIGER, STS, VEB, Shanghai Shimao Group
- Russian and Chinese potential investors signed a memorandum of cooperation completion — by 2020
**PRELIMINARY LAYOUT OF ELEMENTS OF THE «POGRANICHNY – SUIFÉNHÉ» TRANS BORDER FREE TRADE ZONE**

**PHASE 1**

<table>
<thead>
<tr>
<th>Name of element</th>
<th>Area, m²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pogranichny international vehicular border crossing</td>
<td>127 250</td>
</tr>
<tr>
<td>Customs and logistical terminal</td>
<td>38 841</td>
</tr>
<tr>
<td>Supermarket</td>
<td>26 657</td>
</tr>
<tr>
<td>Duty Free shop</td>
<td>500</td>
</tr>
<tr>
<td>Buffer area for vehicles</td>
<td>13 984</td>
</tr>
<tr>
<td>Boiler</td>
<td>3 200</td>
</tr>
<tr>
<td>Water producing wells and water treatment pump station</td>
<td>5 500</td>
</tr>
<tr>
<td>Local waste water treatment facilities</td>
<td>2 500</td>
</tr>
<tr>
<td>Transformer sub-station</td>
<td>400</td>
</tr>
</tbody>
</table>
1. **VLADMORRYBPORT JOINT STOCK COMPANY IN THE GOLDEN HORN BAY (VLADIVOSTOK)**
   - Mooring wall exceeds 1 km in length
   - Refrigerating/deep freezing facilities capacity — 15 thousand tons
   - Design capacity — 40 thousand tons of warehoused goods at any time

2. **DALKOMHOLOD JOINT STOCK COMPANY IN THE GOLDEN HORN BAY (VLADIVOSTOK)**
   - Mooring wall exceeds 215 m in length
   - Refrigerating/deep freezing facilities capacity — 22 thousand tons

3. **FISHING PORT DIOMIDOVSKY LIMITED LIABILITY COMPANY IN THE DIOMID BAY (VLADIVOSTOK)**
   - Mooring wall exceeds 600 m in length
   - Refrigerating/deep freezing facilities capacity — 5 thousand tons
   - Design capacity — 12 thousand tons of warehoused goods at any time

4. **DV PORT LIMITED LIABILITY COMPANY (VLADIVOSTOK)**
   - Mooring wall exceeds 400 m in length
   - Area — 40 hectares
   - Refrigerating/deep freezing facilities capacity — 7 thousand tons
   - Design capacity — 20 thousand tons of warehoused goods at any time
   - Fish processing plants capacity exceeds 100 thousand tons of produce at fish auctions, trading exceeds 100 thousand tons

Potential investors are TIGER, STS, VEB, Dealim, Busan Port Authority (both — Korea)
SPECIALIZED SEA PORTS IN ZARUBINO AND NAHKODKA

SEA PORT IN TROITSA BAY (ZARUBINO)
- Mooring wall exceeds 600 m in length
- Area — 25 hectares
- Refrigerating/deep freezing facilities capacity — 12 thousand tons
- Design capacity — 40 thousand tons of warehoused goods at any time

SEA FISH PORT IN NAHKODKA
- Mooring wall exceeds 1 km in length
- Area — 20 hectares
- Refrigerating/deep freezing facilities capacity — 10 thousand tons
- Design capacity — 20 thousand tons of warehoused goods at any time

Potential investors are TIGER, STS, VEB, Dealim, Busan Port Authority (both – Korea), China Merchants Group (China)
The complex is already involved in exchange of goods between central regions and the Far East region of Russia and will be utilized to support import and export shipments via the Agro hub.

**THE COMPLEX COMPRISSES:**

1. Refrigeration stacked racks warehouses of 40 thousand tons capacity at any time
2. Dry warehouses
3. Container yard for up to 2 thousand TEUS
4. Open areas for storage and sheds
5. Railway station, 2 km of tracks and an engine to handle formation of 2 cargo trains in a day
6. Loading/unloading machinery
It is intended to develop an agro industrial park in the territory adjacent to the complex, through joint efforts of the Ministry of Agriculture of Russia, Ministry of Industry and Commerce of Russia, Government of the Moscow Region and the Dealim South Korean company.

**THE COMPLEX COMPRISSES:**

1. A WAREHOUSING COMPLEX COMPRISING 3 FACILITIES OF 30 THOUSAND M² IN AREA ACCOMMODATING 50 THOUSAND PALLETs EACH
   - Warehouse for vegetables, fruit and greens (up to 20 thousand tons), including a shop for pre-sale dressing and packaging of fruit, vegetables and greens, with regulated temperature regime and controlled-atmosphere environment
   - Warehouse with regulated temperature regime for canned food products (+5°C/+10°C)
   - All purpose warehouse

2. FOOD PROCESSING FACILITIES
   - for processing/packaging fish and seafood
   - for processing/packaging meat and poultry
   - for processing/packaging fruit and vegetables
   - for processing/packaging dry fruit and nuts

3. 1 KM OF ADDITIONAL RAILWAY TRACKS AND A CONTAINER YARD FOR UP TO 5 THOUSAND TEUS
DEVELOPMENT OF THE AGRO-LOGISTICAL HUB IN THE PRIMORSKY REGION WILL FACILITATE:

- Penetration of markets in Asia-Pacific nations (China, Japan, South Korea, Philippines, Malaysia, Indonesia, etc.) with Russian agro produce
- Full engagement of the Primorye-1 and Primorye-2 international transportation corridors to China leading to Suifenhe and Hunchun, respectively
- Greater transparency of operations in the Russian fish market and higher export price for Russian fish as a result, inter alia, of development of fish auctions in such segments as Alaska Pollack and salmon caviar, crab meat, etc.
- Increased shipments of fish, including processed fish, from the Far East region to the central regions of Russia
- Exports of fish, including processed fish, to EU countries via the Trans Siberian Railroad
- Stable procurement of foodstuff to meet needs of the Russian military stationed in the Primorsky Region, in the Sakhalin island and in the Kamchatka peninsular
- Stable supply of domestic agro produce and food products to the Far East Federal Region and easing out products imported from China from the marketplace
- Creation of new jobs in the Far East Federal Region and increased revenues from federal and local taxes