



The Landowner of All Russia

By Vladimir Voronov

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¹ Agriculture Minister Alexander Tkachev is one of the main advocates of retaining sanctions against western food imports and initiated the policy of destroying them. "By destroying smuggled goods," the minister declared, "we support our own producers."

Quite how that support manifests itself is problematical because, under Tkachev, the Ministry of Agriculture is currently lobbying energetically for drastic restrictions on how many livestock can be reared in privately owned farms. The official pretext for this is the need to "restore order in the registration and provision of veterinary safeguards." According to Tkachev, a "normal, small farm" should have no more than 20 cows on it. But "when a private farm has 1,000 sheep running about all over the steppe, or more than 100 cows grazing," there is cause for concern because, supposedly, there will be "no veterinary controls in place". The Ministry seems incapable, or perhaps just unwilling, to do anything about the problem, preferring to introduce bans and compulsory closures. Why should some small farmers own thousands of sheep, or even a hundred?

Who would lose under the proposed policy? Well, obviously, thousands of farmers and with them millions of Russian consumers. Who would gain? It's hardly rocket science: the winners would be the owners of agricultural empires, monopolists able to fix food prices and inflate them sky-high. Tkachev has also announced that his Ministry will shortly put forward for discussion a new, effectively confiscatory, law on land ownership which has the potential to turn into a new land-grab and deprive numerous small owners of their land. "According to our estimates," the minister confided, "there are some 10 million hectares that could be exploited for agricultural purposes." "We are talking here," he claimed, "about land in private ownership which is not being used." Does that mean abandoned, derelict? The only problem is that whether land (in private ownership!) is or is not being "used" will be decided by government officials. "This land will then be put up for auction," Tkachev informs us, "and sold to people who will use it conscientiously. Many people would love to acquire land, especially fertile land in the central strip and south of Russia."

Translated from honeyed officialese, this means that the land will be confiscated for the benefit of the agricultural monopolies, and you can bet your bottom ruble that no other "conscientious users" will get anywhere near the trough.

It would be difficult to pretend the minister had no vested interest in all this: Alexander Tkachev's family clan are described as owning the largest agricultural empire in Russia.

From heating engineer to grand estate owner

Tkachev's progress to the soft seats of local and then federal government is entirely typical of modern Russia: Communist Party card, official in the Komsomol (Young Communist League), Soviet factory manager, then privatization, after that, post-Soviet businessman, people's deputy ... Alexander Tkachev was born on 23 December 1960 in the Kuban Cossack *stanitsa* of Vyselki to

¹ This paper was written for the Russian Service of Radio Free Europe / Radio Liberty. It can be accessed at, Voronov, V. 'Pomeschik vseya Rusi', svoboda.org, 25 October 2015, available at: http://www.svoboda.org/content/article/27325280.html

"Tkachev came to see me and asked to be given the position of his father, who was due to retire. I had no objection."

- Alexey Klimov

the family of a district-level official. In 1978 he enrolled at the Krasnodar Polytechnic Institute, from which he graduated in 1983 with a degree in mechanical engineering. He got a job as a heating engineer at the Vyselki Inter-farm Feed Mill where his father was the manager. Under his father's wing, the heating engineer

progressed rapidly to chief mechanic at the mill, then first secretary of the Komsomol district committee. The Komsomol was already sinking, but the novice Party official deserted that ship at just the right moment. As soon as the Soviet system collapsed, former First Secretary of the Party's District Committee Alexey Klimov recalled, "Tkachev came to see me and asked to be given the position of his father, who was due to retire. I had no objection. It was passed by the bureau, the executive committee, the inter-farm board and he was appointed director. His father moved down to become his deputy."

Sometime later, Tkachev came to see First Secretary Klimov with a new request: to affiliate the mill with one of the most powerful inter-farm associations of the region, the Myasoprom complex for fattening calves, capable of feeding up to 14,000 head of cattle. Fodder came from over 5,000 hectares of arable land which the complex owned. How could he not satisfy the request of such an authoritative comrade? The district party boss personally chaired a meeting of the collective at the complex, removed the director and appointed a new one who, shortly afterwards, in an access of productive enthusiasm, "at his own request" agreed to merge with the Tkachevs' feed mills. A pearl was formed that was to be the nucleus of the Tkachevs' future empire, the AgroKomplex corporation. Another local farming association subsequently merged with it, the MezhKolkhozSovkhozSad, bringing with it a further 1,300 hectares of fruit plantations which were already supporting a canning factory.

All this was going on in the Soviet era, if in its twilight years. So three "brilliant, modern, functioning, profitable enterprises, with the best equipment available at that time (the MezhKolkhozSovkhozSad association had refrigeration units, including some from Hungary, capable of storing 7,000 tonnes of produce), were formed into the AgroKomplex which, according to today's propaganda in the region, was supposedly created by Alexander Tkachev," former First Secretary Klimov laments.

Need we ask who and how, after the collapse of socialism, was suddenly found to be the outright owner of this agricultural monster? What had been socialist property, belonging to the whole people and the state, was transformed into a mammoth family estate. Incidentally, under one of President Boris Yeltsin's decrees of the early 1990s, collective farm land was supposed to be made over to the villagers. Somehow that never happened, and it ended up in the hands of the directors of farming associations, chairmen of collective farms, and other officials.

"Trampling over people's heads would have been preferable to trampling over people's corpses." - Alexey Klimov "The AgroKomplex was not created for the benefit of Tkachev," Klimov exclaimed many years after the fight was over, "but for the region's farms, to enable them to process their produce, not to hand it over to someone else. Who could have imagined that a company created

by several generations of the area's workers would end up in the hands of one man, thanks to that grandiose scam contemptuously branded 'privateering privatization'? Who could imagine that an

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agricultural complex created by ten farms would swallow those who set it up? The egg ate the chicken!"

Over the course of the next few years, AgroKomplex, step by step, following the same tried and trusted strategy, swallowed up almost every agricultural enterprise in the district. Suddenly, overnight, they would go bankrupt and be devoured. For their directors, or at least for those of them who did not try to be difficult or rock the boat, cushy jobs were found in AgroKomplex.

When Klimov was asked whether Tkachev had not trampled over people's heads, he remarked, not without bitterness, "Trampling over people's heads would have been preferable to trampling over people's corpses." Farms were crushed using state resources, bringing claims against directors for shortcomings of one kind or another. "On any farm you can find something to pick on: a tractor driver killed in an accident, a warehouse burned down and so on," Klimov said in an interview for *Ogonyok*. Revelations of this kind, as well as Klimov's campaigning speeches against the expanding empire of the Tkachev clan, were plainly causing annoyance to vested interests, and in 2001 Klimov, who by then was the chairman of a collective farm, had no fewer than seven criminal charges brought against him! An F-1 grenade was thrown at his parents' house, hit the architrave, bounced off into the garden and exploded. There were attempts to assassinate him. He survived, and even successfully fought off the criminal charges, but was unable to save his farm from being swallowed by Tkachev's agromonster.

"AgroKomplex," we are told by the joint stock company's official site, "was established in 1993 by merging an animal feed mill and a complex for fattening cattle. In the past 20 years it has developed beyond all recognition. From a modest business, the company has become the largest agricultural holding in Russia. ... Today, AgroKomplex comprises more than 40 enterprises in various sectors: crop farming, rice growing, beef and dairy cattle, pig farming, poultry farming, processing industries and trading activities. The enterprise employs 16,000 staff and farms 200,000 hectares of arable land." "In the 1990s, we laid the foundations, and in just two decades our team has created a powerful agricultural holding consisting of over 60 companies, more than 22,000 employees, and 500 sales outlets!" we are told elsewhere on the website.

According to *Forbes Magazine*, AgroKomplex is now the largest landowner in Europe, owning almost 500,000 hectares.

The means by which the corporation was created were truly those of empire-building: as was regularly reported in a number of regional and national publications, AgroKomplex undertook a succession of hostile takeovers, in which exploitation of the administrative resources of the state was very evident. "Already in the 1990s," one of these publications wrote, "with the collaboration of the Vyselki district administration and district police department, A.N. Tkachev began buying up land from shareholders of the AgroKomplex private company. As a result, all the arable land (tens of thousands of hectares) became the private property of the Tkachev family."

All this energetic building up of family land holdings did not deter the latter-day landowner from positioning himself until 2003 as an orthodox communist! How else could he have advanced his career under the communist governor of Krasnodar Region, Nikolai Kondratenko? Tkachev, the communist-capitalist, first got himself elected to the regional Legislative Assembly, was twice a

deputy in the State Duma, and in 2000 Kondratenko played the Yeltsin Card by nominating Tkachev as his successor.

Once Tkachev had become tsar of Krasnodar, exploitation of state administrative resources started in earnest. Here are excerpts from an analysis of the situation in Krasnodar region, published in the September 2004 issue of *Pravda-Info*: "Exploiting state and police administrative resource, operations are conducted (by means of blackmail and physical intimidation) to remove heads of local government administrations unacceptable to A.N. Tkachev, particularly of promising, prosperous districts of the region, as well as to take over through bankruptcy proceedings the region's most profitable enterprises and export their assets abroad ... Enterprises, farms and banks taken under personal control using organizations in the remit of A. Tkachev and his deputy A.A. Remezkov, are actively exploited for self-enrichment, and also for the unmonitored transfer of capital into the shadow economy and foreign banks ..."

One such special operation, the expropriation from Russian Sugar of its Kristall sugar factory in 2005, is described in detail on the *Southern Region* portal website, www.yuga.ru. First, inspectors from the sanitary and epidemiological, environmental protection and fire services became regular visitors to the factory, which is located in Vyselki. They were followed by tax inspectors and prosecutors, and then the District Prosecutor's Office filed multiple charges against Kristall and its executives over alleged contravention of regulations:

"There can be no stopping. Forward and only forward! Anyone who falls behind today will not catch up tomorrow."

- Nikolai Tkachev

"Failure to comply with the environmental, sanitary and epidemiological requirements in the treatment of industrial and resource waste, infringement of water use regulations, engaging in unlicensed profit-making activities ..." The Vyselki District Court instantly ruled that all production at the sugar factory must be suspended

owing to pollution of the environment and, naturally, non-compliance with safety regulations in the workplace. Additionally, in the autumn, just when the crop had to be brought in and processed, the roads to the sugar factory were blocked by temporary checkpoints of the Federal Authority for Road Traffic Safety, which refused to allow trucks with sugar beet through. The Board of Directors of Russian Sugar even appealed for help to President Putin but, recognizing the futility of this, expressed willingness to sell Kristall "because it is being prevented from functioning normally". The rest was a formality. When the once flourishing factory went bankrupt, it was sold. Its new owner was the private AgroKompleks company, whose chairman of the board of directors was Nikolai Tkachev, father of the regional governor. As Nikolai Tkachev observed, "There can be no stopping. Forward and only forward! Anyone who falls behind today will not catch up tomorrow." These words of the father of the current Minister of Agriculture and ex-governor of the region have attained the status of scripture and are inscribed in the curriculum of Vyselki No. 1 School.

The Tsapkas and their handlers

On 4 November 2010, 12 people were brutally murdered at the home of a farmer called Ametov in the village of Kushchevskaya in Krasnodar region. They included four children, the youngest a one-year-old baby. The slaughter was perpetrated, according to one account, for refusal to pay protection money. People were slashed and strangled, to all intents and purposes in front of their neighbours. The massacre went on for a considerable period of time and it is impossible that other

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villagers did not hear the victims' screams, but not only did no one come to their aid, nobody even tried to call the police. As later emerged, the murderers were well known in the village: they were members of a criminal gang that had been terrorizing two districts for over ten years.

To cut a long story short, once upon a time there lived a gang who worked for a family of local oligarchs. Its leaders were said to be Sergey Tsapok and his mother, Nadezhda Tsapok, owner of a company called Artex-Agro. The brothers Nikolai (killed in 2002) and Sergey Tsapok formed the gang back in the 1990s. It expanded, matured, and even became legalized through the mother's agricultural company. This firm, without the least resistance from the police, the prosecution service or the FSB, used the gang to systematically subjugate other farms in the area. There was an almost perfect division of labour: the company developed and expanded, while the gangsters, officially listed as security guards of the Centurion-Plus private security firm which was part of Mother's agricultural holding, ran a protection racket and forced local farmers to hand over their land to Monma Tsapok. The Radio Liberty archives have a recording of Nadezhda Tsapok's closing statement (in Russian) in court on 19 November 2012.²

Anyone attempting to resist was brought to heel with extreme and bloody brutality. At the same time, it was revealed, for a whole decade the Tsapok gang raped hundreds of girls with impunity, stalking and seizing them in the streets, in schools, hostels, and even in their own homes. Momma Tsapok's "plantations" were found to be exploiting, in the most literal sense of the word, slaves who were citizens of Ukraine!

When, in the wake of the butchery in Kushchevskaya, the region's governor, Alexander Tkachev, arrived at great speed, he represented the situation quite differently: in his speech to the villagers, the governor stated that it was "nonsense to claim there have been 220 rapes, everything has been checked." The villagers were outraged, and if there had not been a very strong police line in the hall, the "Chief of Kuban" would have had a hard time of it. As it was, the villagers, according to eyewitnesses, were only able to heap on him their choicest abuse.

As the legal investigations continued, it became clear that the "competent" authorities and the regional administration had effectively been shielding the Tsapoks. The Kuban prosecutors had for years been resolutely turning a blind eye to the gang's evil-doing, and Sergey Tsapok had sat on the Village Soviet of Kushchevskaya district, been a member of the Council of Young Deputies of Krasnodar Region, and in May 2008 had even been observed at the inauguration of President Medvedev among the delegation of the head of the Krasnodar region administration, Alexander Tkachev. The region's banks and authorities had willingly and promptly issued loans totalling 8 billion rubles to the Tsapkovs' Artex-Agro company. This included loans extended under the aegis of a high-priority national project, Development of the Agro-Industrial Complex.

"My son was intending to testify against some influential people but was placed in solitary confinement."
- Mother of Vitaliy Ivanov

There followed revelations, court cases, sentences, and the sudden death of defendants who could have told the world a lot of interesting things about the connections between the Tsapoks and Kuban officials. Sergey

² The statement can be accessed at: http://flashvideo.rferl.org/Videoroot/Pangeavideo/2013/11/2/25/25da1791-2039-43c2-9dc3-549ab0986d4f mobile.mp4?download=1

Tsapok, sentenced to life imprisonment, could have testified against a whole cohort of influential Krasnodar officials who had been closely associated with him, but on 7 July 2014 was found dead in a solitary confinement cell at the Krasnodar preliminary investigation detention centre. If the experts from the Russian Federal Investigative Committee decided death was due to a stroke, their colleagues from the Federal Penitentiary Service persisted in asserting that the cause of death was acute heart failure. Three days before Tsapok's death, on 4 July 2014, Igor Chernykh, also sentenced to life imprisonment, was found hanged in an isolation punishment cell at the same detention facility. The official explanation was that he had committed suicide by hanging himself with a towel. Previously, in 2011, two of Tsapkov's accomplice and participants in the Kushchevskaya massacre, Sergey Karpenko and Vitaliy Ivanov, no less enigmatically succeeded in "committing suicide" in their strictly guarded cells. Ivanov's mother stated that her son was intending to testify against some influential people but was placed in solitary confinement and murdered, it being subsequently claimed he had hanged himself using a sheet.

The main beneficiary at the conclusion of the case against Tsapok and his gang was ... the Tkachev clan: AgroKomplex ended up owning the assets and land previously owned by the Tsapkov clan and members of its gang. The main prize was 40,000 hectares of land.

But they have a big family!

200,000 hectares, 500,000 hectares, who is even remotely able to quantify the property and assets of this clan? Of course, as a state official, Alexander Tkachev could not formally be involved in the business activities of the clan. Until his father, Nikolai Tkachev, passed away in August 2014, it was he who, as chairman of the board of directors, headed up AgroKompleks. He also headed a whole lot of other enterprises in the family empire. Other businesses are nominally owned by the family's mother, Lyubov Tkacheva; by Alexander's elder brother, Alexey Tkachev; by Alexander's wife, Olga Tkacheva; their eldest daughter, Tatiana, whose married name is Batalov; by son-in-law, Roman Batalov; by Alexander's wife's mother, Zinaida Storozhenko; by his younger daughter, Lyubov; by his niece, Anastasia Alexeyevna, married name Krattli ... How many people, including the author of these lines, have tried to disentangle the family ties, to bring together the data on the assets of the clan and all that "has been accumulated by back-breaking toil". (See also articles in Russian in such publications as Slon and Forbes.) In reality, you would need a team of highly motivated investigators to put together a reliable picture of the assets of the Tkachev family.

David Sweet, former director of the United States Energy Association, has unofficially awarded the ex-governor of Kuban the title of "the largest landowner in Europe." Sweet observed that, even in the US, "there is no single person that owns 200,000 hectares."

"We have succeeded in ensuring that this year the total state investment in Kuban under the federal targeted programme will amount to 7.5 billion rubles."
- Alexander Tkachev

Well, Tkachev and his relatives between them own no less than 500,000 hectares. What is that worth in money terms? The cadastral value of land in Krasnodar is the highest in Russia: one hectare of arable land in Kuban is worth 350,000 - 500,000 rubles. On that basis, the estates of the Tkachev family will be worth 175 - 250 billion rubles, and not rubles at today's exchange rate but as they

were when you could still buy a dollar for 30 rubles.

It might seem to an outsider that the Kuban region during Tkachev's rule has been prosperous and self-sufficient. The region's authorities used to love juggling with official statistics. For example, they stated that in 2001-2006 total investment in the region's economy amounted to 574 billion rubles more than 19.13 billion dollars at the then exchange rate. In 2006, in an interview for *Our Administration. Projects and People* [*Nasha vlast'. Dela i litsa*] Tkachev claimed that in just five years, "14 billion euros have been invested in the Krasnodar region." In the same interview, the governor claimed, "We have succeeded in attracting total state investment this year in Kuban under the federal targeted programme of 7.5 billion rubles."

In reality, those 7.5 billion rubles were not investments but subsidies: the Krasnodar region was and remains a heavily subsidized territory. Subsidies from the federal budget accounted, and still account, for 18 - 25 % of the revenue in the region's annual budget. How could it thrive when nothing in particular is produced there? There is practically no industry, and it is certainly not the pocket of the state that is filled by the revenues from agricultural production. Apart from subsidies, the regional budget is funded only by income from oil and gas transportation and port charges. The Olympic construction bonanza was one big "Panama" of corruption, and by the end of the 2014 Winter Olympics in Sochi, and I am quoting colleagues on the Meduza website, "all the local firms that did the heavy lifting have been ruined. It transpires that the state has not paid them and has no intention of doing so."

The most eloquent summary of the results of the reign of Tkachev and his team comes, surprisingly enough, from Vladimir Ustinov, presidential representative in the Southern Federal District. Introducing Veniamin Kondratiev to municipal officials as the new acting head of administration in the region, Ustinov reported that in 2014 the region's consolidated budget had run a deficit of over 26 billion rubles. The region's share of the state debt was in excess of 136 billion rubles, and the cost of servicing that debt alone in 2015 would be over 7 billion rubles. The main thing Ustinov asked the new governor to get to grips with was corruption in the administration of Krasnodar region and "the reason for the ineffectiveness of anti-corruption work in the region's institutions of executive power." The one thing that has traditionally been in very good shape in the Kuban region is corruption. In February 2015, not one but two deputy governors were arrested on suspicion of abuse of power: the incumbent, Vadim Lukoyanov, and a former one, Alexander Ivanov. Three other former deputy governors had been arrested earlier on corruption charges: Nikolai Diachenko, Edward Kutygin and Leonid Baklitsky. All second-rankers.

Kuban experts and Kuban aficionados

It is claimed that back in Vladimir Putin's first presidency, when he was again visiting the Krasnodar region, the local news presenter on "Vesti" announced, "President Vladimir Putin is visiting Kuban. Despite his busy schedule, the governor of the Krasnodar region, Alexander Tkachev, has made time for a meeting with the president."

"The region's authorities have all but established the "different Russia" already, realizing in one particular region the aspirations of Russian great power traditionalists to banish the spirit of liberalism from the land."

- Sergey Markedonov

It is claimed that this is not a joke, but even if it is, there is a serious aspect to it: the separatist aspirations of Kuban's *bat'kas* have long been a byword. The ideal of a completely separate, independent and exclusive "Kuban nation" has long been lobbied by the region's rulers, openly and enthusiastically.

Political analyst Sergey Markedonov, a specialist in ethnic politics, quotes Vladimir Gromov, the then deputy

governor of Krasnodar region and overall ataman of the Kuban Cossack troops, declaring in 2000 that the Cossacks of Kuban are a "historically indigenous people", and that "Kuban is the territory where the Kuban Cossacks arose and, with the Russian population, have lived, and this fact should be reflected in the composition of government institutions." His sentiments were echoed in March 2002 by Governor Tkachev's thunderous public declaration: "This is the land of the Cossacks and let no one forget it. Here you play by our rules." These rules had undoubtedly been laid down by "Bat'ka Kondrat", Governor Nikolai Kondratenko. Under his successor, Alexander Tkachev, Kuban became the only Russian region where ethnic cleansing was undertaken entirely officially, with expulsion of "racially alien elements", namely the Meskhetian Turks, from the region. The mass emigration of Meskhetian Turks to permanent residence in the United States was registered by the United Nations as the first instance of mass emigration from modern Russia on ethnic grounds.

In March 2002, at a regional conference on migration, Tkachev gave his subordinates their instructions: "You can identify which migrants are legal or illegal from their surname, or rather, from how it ends. Names ending in '-yan', '-dze', '-shvili' or '-oglou' are illegal, as are their bearers." As the media reported in 2003, Tkachev even proposed setting up filtration camps for illegal migrants, and forced through the regional Duma a law authorizing night-time police raids on areas with concentrations of internally displaced persons.

Now, as Markedonov says, "The region's authorities have all but established the 'different Russia' already, realizing in one particular region the aspirations of Russian great power traditionalists to banish the spirit of liberalism from the land."

It is evidently too soon to discuss Tkachev's future prospects. He has been a federal minister for almost no time at all, barely half a year. Does his transfer to Moscow indicate a significant promotion, providing him with a springboard to move onwards and upwards, or does it signal decline? Traditionally, as far back as the Soviet period, the Ministry of Agriculture has been seen as the political equivalent of a penal battalion or, at best, political exile. In post-Soviet times, admittedly, it has become something of a sinecure. We have only to recall the spectacular business careers carved out by such predecessors in the post as Alexey Gordeyev and Yelena Skrynnik. But what need does Russia's largest landowner have of such a sinecure? In his case, the appointment does seem more like a rap across the knuckles and comfortable exile. Tellingly, his transfer to the capital "coincided" with a whole series of arrests of high-ranking Kuban officials. The arrest by the FSB of Acting Deputy Governor Vadim Lukoyanov and former Deputy Governor Alexander Ivanov actually occurred while Tkachev was still in office there.

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In the expression "comfortable exile", however, the stress is definitely on the first word. As the world knows, Putin does not rat on his cronies, and Tkachev, largely thanks to the Winter Olympics, has managed in recent years to become one of the in-crowd, even though he is not from St Petersburg. Sochi has, of course, during the presidency of Vladimir Putin come to play the role of a second St Petersburg in his life. Indeed, it has become the third capital of Russia in terms of the number of major issues decided there, again thanks to the fact that Putin spends almost the greater part of the year in Sochi. So Tkachev has been very much in luck with Sochi, and his despatch to the Ministry of Agriculture should probably not be seen as the beginning of the end of his career. Rather, as a drawing back, the better to pounce.



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