

Business project for fruit drying factory

The land with the area of 252 hectares is located near the village of Myasnikyan in Armavir Region.



The land has its own three-phase electricity grid, 120 meter deep Artesian basin which gives 39 liters of water per second, gravity cement water pipe and a possibility of gas connection on the border of land.



There is a spare part of 1000 sq.m, Utility unit 3x6 m and an office space 6x13 m on the land.



There is a need for construction of a drying fruit factory on the land for drying apricot and plum.

The production of an apricot and a plum on the land is

Fruit	Area (Ha)	sort	Wholesale price in dram (2017)	Production (Tones)	
				2019	2022
apricot	25	Shalah	300	30-40	80-100
plum	6	Black	200	30-50	30-50



1. For the production of 1 kg dried fruit there is a need for 7 kg fresh fruit.
2. For the production of 1 kg dried fruit with sugar there is a need for 3 kg fresh apricot or 5 kg fresh plum.

The calculations below are made for the worst case scenario considering the production by the 1st type.

The table below shows annually gross income for 2019 – 2021 years

	fresh fruit	wholesale price	mass after drying	price for 1kg	gross income after drying in thousands
apricot	30	300	4.29	3000	12857.14
plum	30	180	4.29	2500	10714.29
total					23571.43

	fresh fruit	wholesale price	mass after drying	price for 1kg	gross income after drying in thousands
apricot	80	300	11.43	3000	34285.71429
plum	30	200	4.29	2500	10714.28571
total					45000

The table below shows annually gross income for starting from 2022 year.

The fruit drying factory will annually need 9mln drams to operate (this will include salaries, materials, electricity, etc.).

For starting the production of dried fruits there is a need of investments in sum of 20mln drams. The investor will get the 50% of the profit. From our side company will provide the territory and the fruits for 1st-year production.

The tables below show the profit and financial indicators for investor for 20 years.

year	profit
2018	-20000
2019	7285.5
2020	85.5
2021	85.5
2022	3300
2023	3300
2024	3300
2025	3300
2026	3300
2027	3300
2028	3300
2029	3300
2030	3300
2031	3300
2032	3300
2033	3300
2034	3300
2035	3300
2036	3300
2037	3300
2038	3300

NPV=	15,142.26
IRR=	15%