

INVESTMENT

FINANCE



RUSSIA

AGRICULTURE


**AGRICULTURE
COMPANY**


IMPROVING LOCAL AGRICULTURE, RUSSIA

Summary: Completion and launching of two buildings supporting local farmers.

Investment: 8.700.000 EUR

Location: Ivanovo, Russia

Term: 10 years

Interest rate: 5,5%

Grace period: 24 months

ADVANTAGES OF THE LOCATION

- ▶ The proximity of major cities gives the possibility of wholesale sales to farmers' shops in these cities.
- ▶ The presence in the Ivanovo region of a large number of free clean lands, accessible forage for livestock in the form of hay, forage grain and vegetables, as well as free, inexpensive labor makes the project interesting for rural residents and for those who want to create their own farm.
- ▶ The city of Ivanovo, part of the „Golden Ring” of Russia is a tourist route for both Russian and foreign guests. A Farm Center with traditionally Russian cuisine and ecologically clean products can become a favorite place for tourists.

INVESTMENT

Because the buildings are almost finished, the first revenues can be expected in the second year.

- ▶ Payback period of the project (PBP) – 4 years 6 months;
- ▶ Discounted payback period (DPBP) – 5 years 3 months;
- ▶ Net present value (NPV) – 11,192.5 thousand euros;
- ▶ Profitability index (PI) – 1.2;
- ▶ Internal rate of return (IRR) – 30 %.

PROJECT

The project owner plans to finish the construction of his existing buildings, in order to lease them for local people in agribusiness. The first building will be suitable for providing complex services to small forms of management on land, rural and urban populations, including the provision of quality food products. The second building will provide to obtain economic or legal education as an upgrade to the basic higher education.

*The photo is only illustration.