



# Full Cycle canned mushroom production in Kazakhstan

Alma Agri Industries LLP

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# Executive Summary

- The Kazakhstan still depends on import food products, especially canned vegetables and mushrooms
- Kazakhstan has real potential to become one of world's food hubs
- Special emphasis of the Government is placed on the transition to the production of high-value products.
- Food security is a major global challenge defined by four key pillars food availability, food accessibility, food utilization and food stability
- The recent COVID 19 pandemic has exposed the weaknesses in food dependency especially where logistics networks are disabled and export bans placed by partner countries
- This project seeks to develop the first fully integrated canned mushroom facility in the Kazakhstan
- The project investment is US\$ 44.2 with an IRR of 37% and non discounted payback period of 2.9 years
- The market segments to be served by the project are Kazakhstan retail markets via supermarkets, hotels, restaurants and catering (HORECA), exports to Russia and CIS, optionally: MENA, Africa and Western Asia
- The project partners namely Mirak Agriculture's senior team has 100 years of combined experience of managing and operating successful agricultural facilities in the UAE and overseas. The construction team has 62 years of proven experience in building agricultural plants



# Concept:

1. **Food security** is a **challenge globally**, including Kazakhstan
2. **Canned mushroom farming** will be an **important contributor** to the food security and **import** targets
3. **We are sure that** selected technology and the total concept is the best to establish a canned mushroom production
4. **USD 44.2 m CAPEX investment is required** to establish the full cycle canned mushroom production facility
5. **Production of canned mushrooms** could **start** after 24 months post funding start
6. Selected **45ha land plot in Almaty region** is acceptable for plants allocation.

# Food security is a major global challenge defined by four key pillars – Availability, Accessibility, Utilization and Stability

## Overview food security



***Food security** exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life,”*

World Food Summit



**Availability** in sufficient quantity and appropriate quality, supplied through domestic production or imports



**Access** via adequate economic and physical resources for individuals to acquire foods appropriate for a nutritious diet that meets all physiological needs



**Utilization** towards a nutritious diet to meet all individuals' physiological needs while minimizing food waste and natural resources



**Stability** through uninterrupted availability, access, and utilization at the population, household, and individual level



# Kazakhstan has an ambitious strategy to become a world leading hub in food security based on five key strategic pillars

“According to the Food and Agriculture Organization of the UN, Kazakhstan, along with the USA, Australia, Brazil and Argentina, is considered the country with the greatest potential in the agricultural sector. Our country has real potential to become one of the world’s food hubs,”

Source: <http://www.government.kz/en/news/kazakhstan-imeet-realnyy-potencial-stat-odnim-iz-mirovyh-produktovyh-habov-a-mamin-264188>

## Strategic pillars of the KZ food strategy

1



To build up a high-quality and affordable raw material base

2



Increase productivity, and accelerate the transition to the production of high-value products

3



Reduce food loss and waste

4



Sustain food safety and improve nutritional intake

5



Enhance capacity to respond to food security risks and crises

Canned mushroom production



Canned mushroom production



# Canned mushroom is one of the cheapest sources of protein and can be stored for up to three years

Why canned mushroom



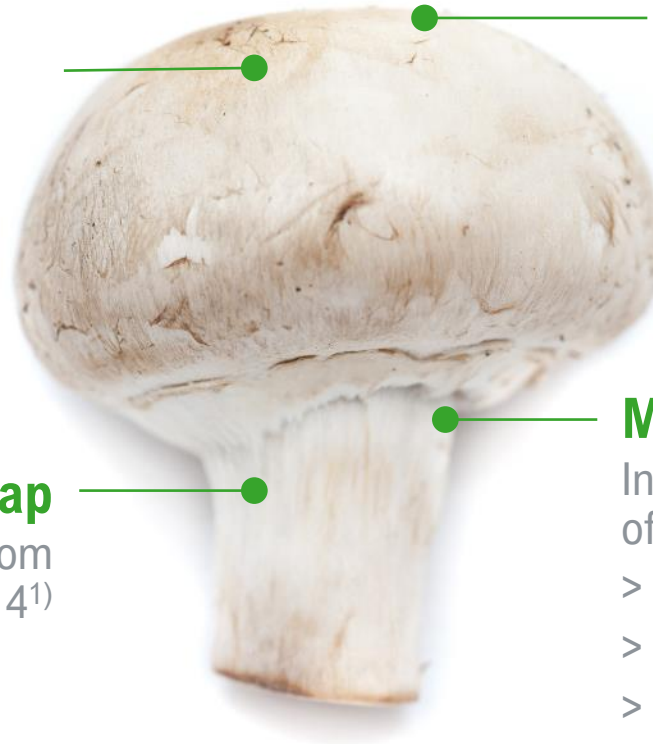
## Canned mushroom lasts long

Canned mushroom expires only after 3 years and therefore any type of transportation is applicable



## Mushroom is cheap

1kg of canned mushroom will cost around USD 4<sup>1)</sup>



## Mushroom is a source of protein

> (White) Mushroom contains 2-4g protein per 100g



## Mushrooms are nutritious

In addition to being a great source of protein, mushrooms also contain

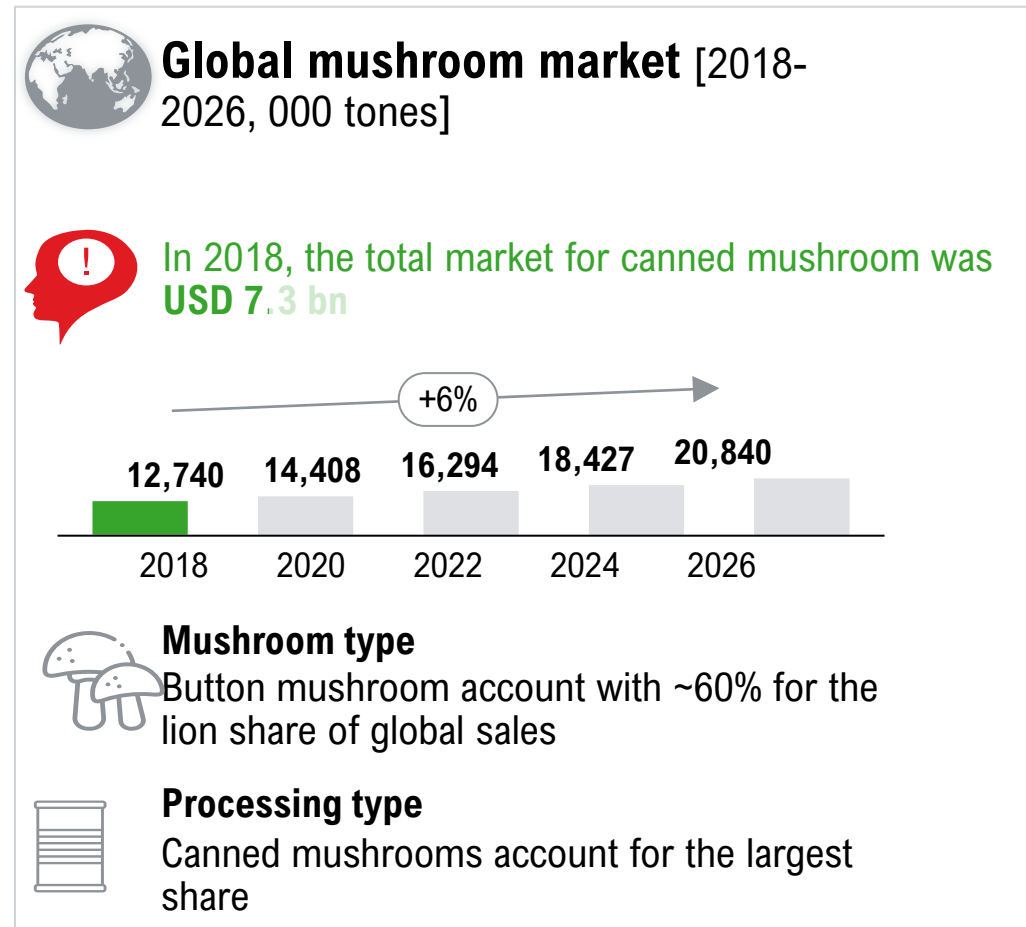
- > Vitamins (C and B)
- > Fiber (soluble fiber and beta glucan)
- > Calcium
- > Minerals
- > Antioxidants (selenium)



1) Excluding retailer margin

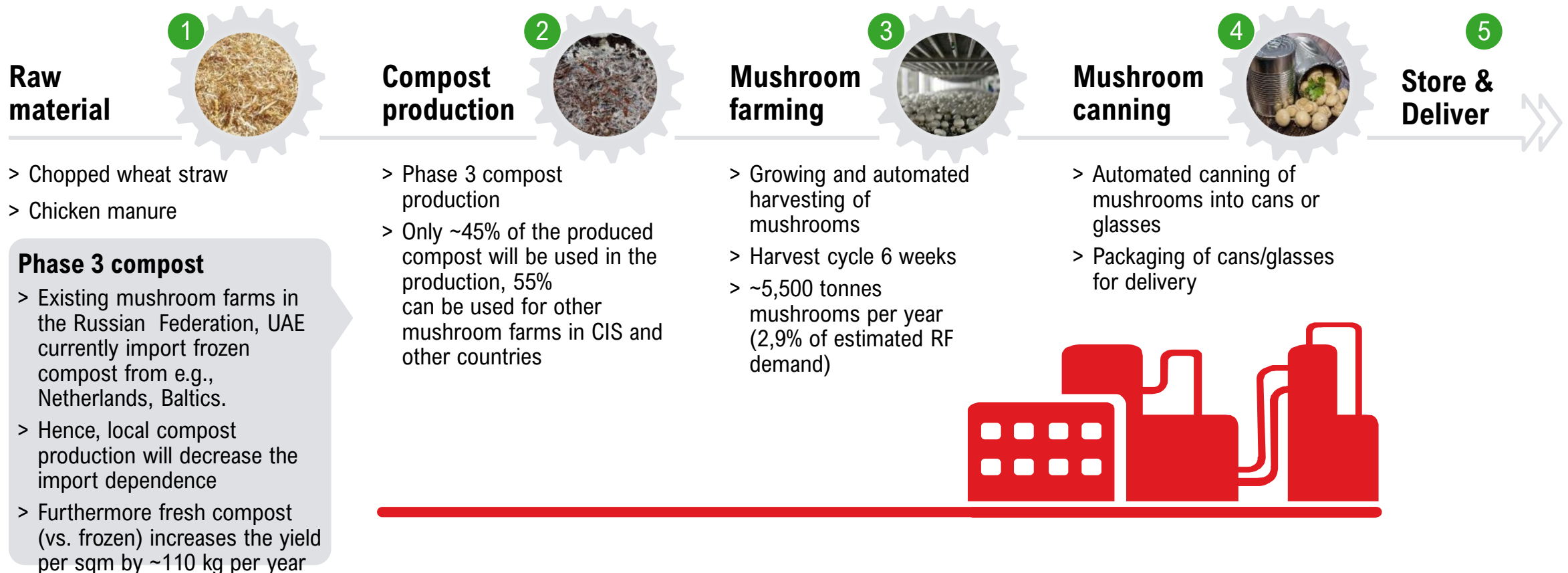
# Mushroom is a growing market globally

Overview canned mushroom market [USD m, tones m]



# Starting from the chopped wheat straw, all raw materials & production steps for canned mushrooms can be localized in the KZ

## Canned mushroom production value chain





# Realizing this untapped potential, Alma Agri Industries has developed a plan to establish a canned mushroom facility in Almaty region

## Project overview

### Business idea



- > To establish an integrated canned mushroom production facility consisting:
  - Mushroom compost production
  - Mushroom growing rooms
  - Mushroom canning

### Aims and objectives



- > To develop a self-sustainable and profitable operation with a short payback period
- > To develop segments that can be utilized by the introduction of additional products (e.g. canning)
- > To encourage local startups as an anchor in the industry

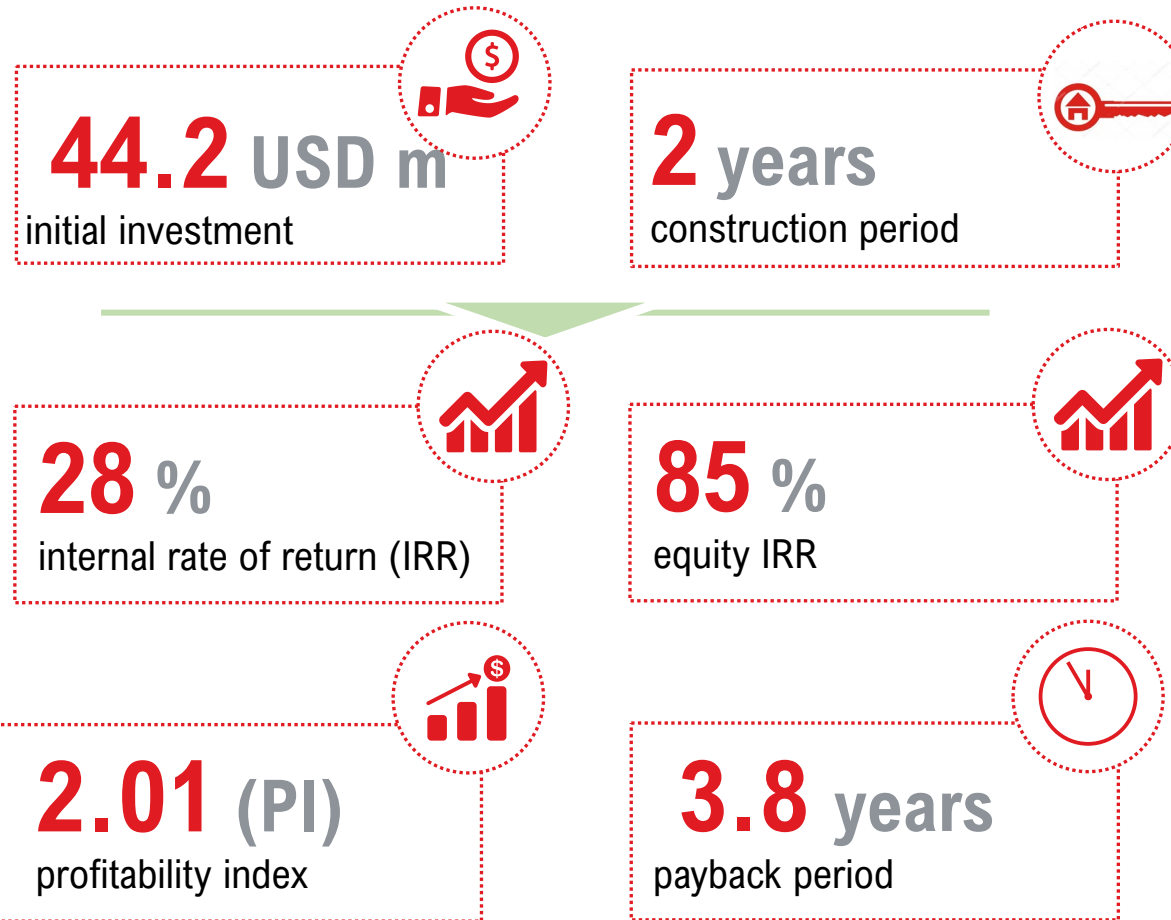
### Products for sale



1. **Canned mushroom in assorted sized**
  - > Primary output will be canned mushrooms with a shelf life of 3 years, sold in various sizes
2. **Mushroom compost**
  - > Excess production of mushroom compost can be sold to local producers

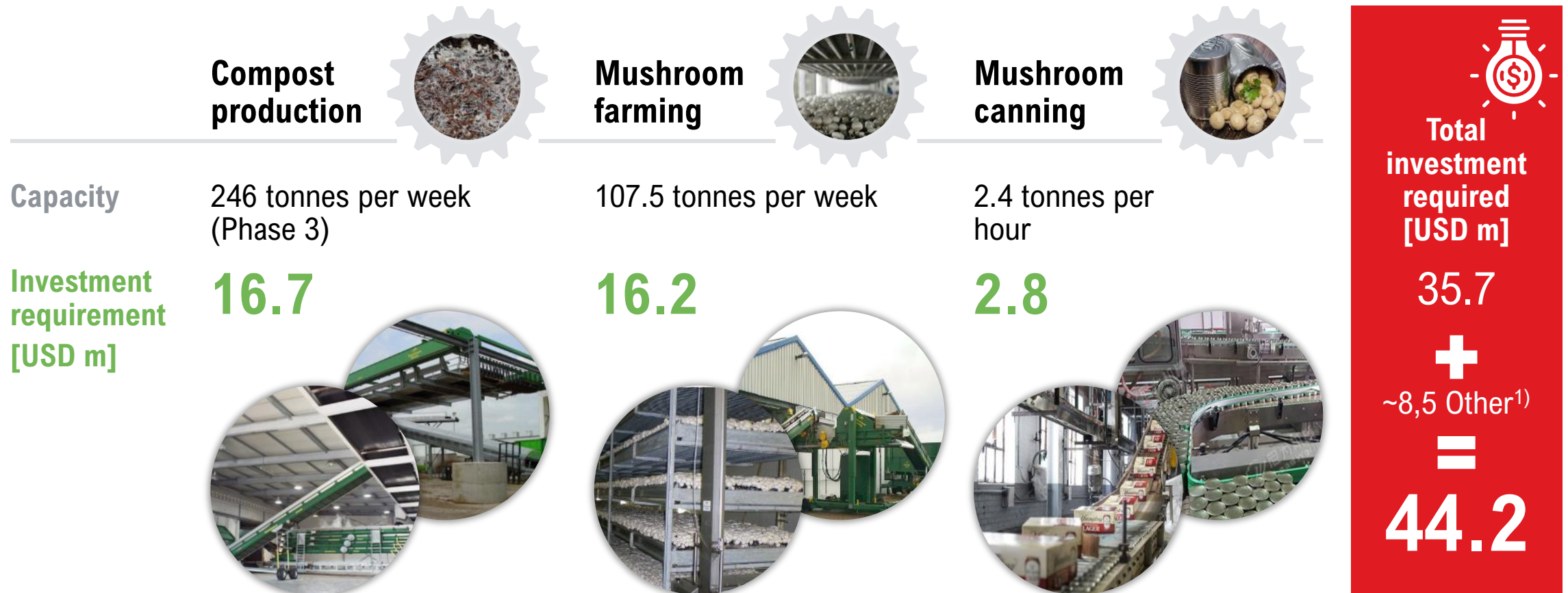
# Our preliminary financial analysis indicates a strong investment opportunity

## Key metrics



# Total investment of USD 44.2 m will be required for construction & equipment for a canned mushroom facility

## Investment requirements



1) Including office construction and pre-construction costs and non construction cost such as consultancy fees, incorporation costs, working capital , contingencies etc.



Mirak Group as the oldest farming company in the UAE will join the project as: **EPC-Contractor** and the main shareholder and founder of MIRAK will enter into the project company in order to share its knowledge and expertise.

## Why Mirak



UAE based and family owned. Founded by Mir Abdulla Khoory



Founded in 1983



Annual production volume of >12,000 tonnes



Farming facilities across 3 different countries



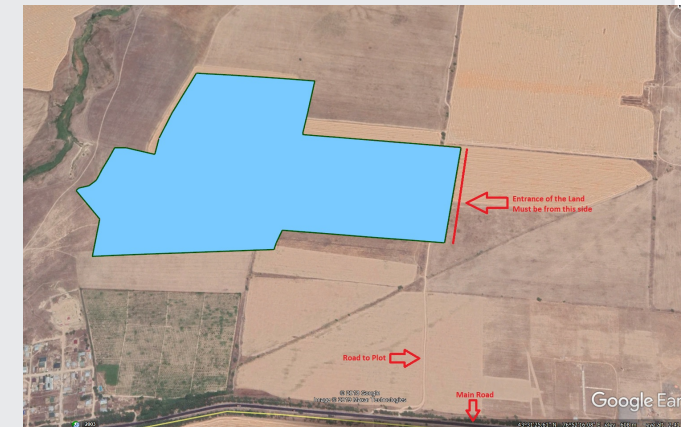
Mirak exports to more than 10 countries globally


Equipment and technology supplier for the Project is Christiaens Group.



Mirak is a strategic partner of Christiaens Group, the world's leading manufacturer for mushroom farming equipment and facilities.

**Alma Agri Industries** contributes the land plot in Almaty, Ily Region, Kazakhstan as illustrated in the attached land drawings and site plan with an area of 45 hectares.



An aerial photograph of an industrial complex. In the foreground, there are several large, modern industrial buildings. One is white with a series of skylights, and another is green. To the right, there's a large white building with a flat roof. The background shows more industrial structures and some trees under a clear sky.

**“Someone’s sitting in the shade today  
because someone planted a tree a long time  
ago”**

*Warren Buffett*

**For investment opportunities  
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