

Organic Strawberry Cultivation & Production Project

Creation of the industrial cluster of cultivation, production and sale of fresh organic strawberry to Japan, Hong Kong and Singapore.

Project Goals & Capacity



The organic products production with use of innovation LED technology increasing harvestability.

Creation of an industrial complex (cluster) of cultivation strawberry in Kazakhstan Location with scalability to support the rapid increase in production, which will include in initial stage: 2 Growing complexes, 1 Processing plant, 1 Genetic (seed) Center, 1 Lab and 1 Packaging Facility.

Glasshouses capacity – 2 hectares **Products:** Organic Strawberry **300 000 kilos per year** in packaging weight. Minors - jam and dehydrated strawberry.

Strawberry varieties: Clery, Albion and Maehyang Strawberries or とちおとめ-Tochiotome, あまおう-Amaou, 紅ほっぺ-Benihoppe, さがほのか-Sagahonoka.

Project location and sales markets



Key strengths & drivers

1 Constant consumption in export markets

According to the Tridge Market Report, the strawberry market in Japan, Singapore and Hong Kong is constant and in 2021 the import was equal of 3.25M, 1.52M and 6.2M of MTs. More than 90% of import of Strawberry in Japan is covered by USA and limited share are also by South Korea and Mexico.

2 Low cost of production

Artificial lighting, dehumidification, ventilation, air conditioning, and irrigation control systems all require immense amounts of electricity. Our Project electricity will cost \$0.044 kWh, the US cost is \$0.14 kWh. Other utility costs are quite favorable. Labor costs are also very low in comparison with US, Canada, Australia and EU markets, about 300 USD per month for a mid-level employee; unskilled labor is paid even lower.

3 Export of premium products at competitive price

The Project location climate conditions allow better harvestability and market quality of products, a financially lucrative cash crop. The use of advanced drip irrigation technologies and breeding species will make it possible to obtain a high-quality products at low cost and create some competition for large players in the industry. The Project location has big rural areas with strong agricultural backgrounds and easy to maintain cultivation.

Key figures

The project will require an investment of **US\$ 5.1 million**

According to estimates, the net income of the project in 5 years is **US\$ 10.4 million**.

The project revenue will be generated by the sales of Organic Strawberry and 12 types of greengroceries on the Local and export markets of Singapore and auxiliary markets of Japan, and Hong Kong. The Cash flow is calculated in accordance with the Strawberry sell price US\$15 per 1 kilo on the local market and the sell price US\$20-25 per 1 kilo on export markets. The retail market price in Singapore on Lazada.sg of Driscoll's USA Organic Strawberry is US\$38 per 1 kilo, Kirei Japan Premium Amaou Strawberry is US\$ 119.2 per 1 kilo, Love Bio Australia Organic Strawberry is US\$ 31.6 per 1 kilo.

| Indicator | Results |
|--|---------|
| Investment amount, US\$ mln. | 5.1 |
| Project Net Income in 5 years, US\$ mln. | 10.4 |
| IRR, % | 34 |
| Payback period, years | 3 |
| Discounted payback period, years | 4 |

- **Sector:** Agri Business ■ **Project Stage:** Green Field ■ **Construction period:** 1-1.5 years ■ **Tech partner** – Turnkey greenhouses solution
- **Proposed Project Financing Structure** – Equity Seed Capital 30% and Debt Financing 70% (development institutions)
- **Proposed Shareholders Structure:** 1. Founder (provide Project with land plot as land for agro purpose in KZ could be owned only by residents, local expertise and project implementation, debt financing up to 50% of the project size, GR) 2. Partners (Private or Institutional investors provide with seed capital)
- **Scalability:** Greenhouses capacity might be increased in case of interest from investors side