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PROJECT № 1834
CULTIVATION AND EXPORT OF AGRICULTURAL CROPS (KAZAKHSTAN)

REQUIRED AMOUNT OF INVESTMENTS:
$50 000 000

ANNUAL NET PROFIT:
YEAR I - $26 600 000
YEAR II - $45 400 000

RETURN ON INVESTMENT CAPITAL:
YEAR I - 43%
YEAR II - 73%

FOUNDER'S INVESTMENT:
$10 000 000

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Our social networks

Description: Founder's company is engaged in growing elite grains, legumes, oilseeds, feed and industrial crops on productive, fertile lands in the northern part of Kazakhstan for export.

In order to expand its activities, the Founder plans to purchase ready-made agriculture with a total area of **300 thousand hectares, including 200 thousand hectares of arable land with a high quality score.**

The implementation of the project will begin in **2-3 months** after attracting investments.

The founder is ready to invest **$10 million** in working capital, land cultivation and repair of existing infrastructure.

Advantages of the project:

- **The presence of fertile black soils** means that the quality of wheat grown on irrigated lands is slightly lower than that grown on black soils. Third grade wheat used to make bread in America and Europe contains about **23% gluten**, while in Kazakhstan the gluten content of third grade wheat is about **27%**.
- Stable demand for products
- Free market segment
- Qualified personnel
- Support from the government of Kazakhstan to enterprises involved in growing wheat.

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Market Need:

- The demand for wheat is increasing year after year due to population growth, rising living standards and changing dietary habits. In 2022, according to the **Food and Agriculture Organization of the United Nations (FAO)**, global demand for wheat was about **770 million tons**.
- After the outbreak of hostilities in Ukraine, the demand for wheat in the world increased even more. This is due to the reduction in wheat exports from Ukraine and Russia, which are **the largest wheat exporters** in the world and this has led to an increase in wheat prices and created a **shortage in the world market**. In 2023, according to FAO forecasts, global demand for wheat was about **785 million tons**.
- China is ready to purchase **5 million tons** of Kazakh wheat annually. The existing grain terminal on the **Dostyk-Alashankou border** currently ensures the purchase of **2.5 million tons** of Kazakh grain annually. It is planned to build a similar terminal on the **Altynkol-Khorgos** border to increase the potential for grain imports from Kazakhstan to **5 million tons** per year.

About the team: The founder has **14 years** of experience in agriculture and has managed three agricultural enterprises with a total area of **73 thousand hectares**. The company's general manager is an expert in corporate finance, having managed a loan portfolio of over **$2 billion** and structured transactions worth over **$1 billion**.

Required amount of investment: $50 000 000

NAME	AMOUNT, $
Acquisition of agricultural land of 300 thousand hectares.	30 000 000
Purchase of equipment	20 000 000
Total	**50 000 000**

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Income data for the 1st year, using 40% of land:

NAME	QUANTITY, TONS	PRICE PER TON,$	AMOUNT, $
Red lentils	7 200	645	4 640 000
Wheat	10 500	355	3 730 000
Alfalfa	78 000	89	6 930 000
Barley	85 000	222	18 900 000
Total			**34 200 000**

Expenses data for the 1st year, using 40% of land:

NAME	AMOUNT, $
Salary	800 000
Raw materials	6 800 000
Total	**7 600 000**

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- Annual profit: **$34 200 000**
- Annual expenses: **$7 600 000**
- Annual net profit: $34 200 000 – $7 600 000 = **$26 600 000**

ROI = $\frac{\text{Net profit}}{\text{Investment amount}}$ x Investor's share x 100% = **43%**

INCOME AND EXPENSES STARTING FROM THE SECOND YEAR OF OPERATION, USING 90% OF THE LAND:	
Annual income	**$64 400 000**
Annual expenses	**$19 000 000**
Annual net profit	**$45 400 000**
ROI	**73%**

DISTRIBUTION OF SHARES:

Before the full return on investments, Investor **- 80%**, Founder **- 20%**

After the full return on investments, Investor **- 45%**, Founder **- 55%**