Global Invest

Protected investments in highly profitable projects

PROJECT №1873
PAULOWNIA CULTIVATION AND TIMBER MARKETING (RUSSIA)

REQUIRED AMOUNT OF INVESTMENT:
$6 086 455

ANNUAL NET PROFIT:
$4 952 000

RETURN ON INVESTMENT CAPITAL:
65%

FOUNDER'S INVESTMENT:
$250 000

OUR SOCIAL NETWORKS

Location: Crimea, Russia
Description: The founder owns a nursery that provides a full cycle of services, from growing seedlings in a greenhouse to creating a complete agrotechnical complex for reforestation, including felling and selling timber. This is the only enterprise in Russia that organizes the entire process, including finding markets for finished timber.

The founder proposes a project to create a Paulownia forest on an area of **30** hectares in 2024 and an additional **60** hectares in 2025 with subsequent sale of finished products. 1000 trees will be planted per 1 hectare of land.

The cost of 1 hectare of land, including the entire process from growing trees to selling timber, is approximately **$57 400**. In 6-8 years, it is planned to receive a volume of timber estimated at **$546 000** from one hectare.

After cutting down the forest, a similar volume of trees is grown again on the same site for the same period. This process is repeated for **5-6 cycles**.

The land plot is registered to the Investor to ensure control and security.

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Required amount of investments: $6 086 455

NAME	AMOUNT, $
Acquisition of 30 hectares of land in 2024 (including the entire range of works on the project for 3 years) ($57 400 per 1 hectare)	1 722 000
Acquisition of 60 hectares of land in 2025 (including the entire range of works on the project for 3 years) ($57 400 per 1 hectare)	3 444 000
A set of agrotechnical measures, watering and application of necessary fertilizers for 4 years starting from the 4th year of work	920 455
Total	**6 086 455**

Income data for 2031 - 2033:

The price of timber is calculated taking into account an annual increase of 15%, starting from a base price of $245/m³ in 2024.

NAME	VOLUME OF WOOD, M3	PRICE PER M3, $	AMOUNT, $
Sale of timber for 2031 (6 years) (30 ha)	16 500	659	10 873 500
Sale of timber for 2032 (7 years) (30 ha)	21 450	761	16 323 450
Sale of timber for 2033 (8 years) (30 ha)	27 885	852	23 758 020
Total			**50 954 970**

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- Total income for the entire project period = **$50 654 670**
- Total expenses for the entire project period = **$6 086 455**
- Total net profit: $50 654 670 – $6 086 455 = **$44 568 215**
- Annual net profit: $44 568 215/9 years = **$4 952 023**
- Return on investment capital for a year:

$$\textbf{ROI} = \frac{\text{Net profit}}{\text{Investment amount}} \times \text{Investor's share} \times 100\% = \textbf{65\%}$$

DISTRIBUTION OF SHARES:

Investor - **80%**, Founder - **20%**