

## **PROJECT PROPOSAL**

### **FOR CREATING A LOGISTIC CENTER FOR STORING, GRADING, SORTING AND PROCESSING OF FRUITS AND VEGETABLES IN 2018-2020 y.**

**INITIATOR:** Association «Uzbekoziqovqatzakhira»

#### **BRIEF INFO ABOUT INITIATOR**

«Uzbekoziqovqatzakhira» association carries out its activities on the basis of the Resolution of the President of the Republic of Uzbekistan No. PR-3344 dd. 20.10.2017, whose main tasks are providing the population and social facilities of the republic with the main types of food products and seasonal fruits and vegetables all year around without interruptions, full execution of the state order for preparation and storage main types of food products in the volumes necessary to stabilize prices and meet the needs of the population during the off-season period.

In this regard, and in order to increase the range of production of competitive products and provide the population of the republic with basic types of food products and seasonal fruits and vegetables all year around and without interruption, «Uzbekoziqovqatzakhira» association offers a joint implementation of perspective logistic center project for storing, grading, sorting and processing of fruits and vegetables in the regions of Uzbekistan.

#### **BRIEF DESCRIPTION OF THE PROJECT**

In recent years, consistent work carried out in Uzbekistan to increase the volume of production and to expand the range of food products, ensuring food security of the country.

Nowadays, the issue of implementing logistic center project and refrigeration facilities is actual due to the need in expanding the assortment and increasing the volumes of the production and exports of the competitive and high-quality food products.

In this regard, the Government pays special attention for creating favorable conditions for foreign investors with the aim of implementing the joint ventures and other perspective project in the Republic.

##### **1. NAME OF THE PROJECT:**

- The project for creating a logistic center for storing, grading, sorting and processing of fruits and vegetables.

##### **2. DESCRIPTION OF THE PROJECT:**

- The logistics center project for sorting, grading, storing and processing of the fruits and vegetables includes a sorting line, jam production line, line for calibrating, individual shock freezing line and cold rooms.

### **3. AIMS OF THE PROJECT:**

- to ensure the formation of a system of harvesting, storage, processing and pre-sale preparation, as well as the subsequent sale of agricultural products aimed at increasing the export potential of the republic;
- to expand the range and to increase the volume of quality competitive food products and to provide the population of the republic with basic types of food products and seasonal fruits and vegetables all year around without interruption;
- Strict quality control of products according to international standards;
- Creation of commodity distribution infrastructure as well as expansion of sales markets for agricultural products;
- Reducing the harvest losses;
- Creation of new workplaces

### **4. TASKS OF THE PROJECT:**

- Introduction of modern technologies in the system of production, storage and processing of fruits and vegetable products that meet the requirements of international standards;
- Increasing the range and volumes of production and export of quality competitive food products;
- Providing the population of the republic with fruits and vegetables all year around;
- Implementation the requirements of international standards, such as: ISO 9001, ISO 22000, ISO 14001 organic certification and the Global Gap system.

### **5. CAPACITY OF THE PROJECT:**

- The project considers building a complex project including pre-cooling chambers, freezers, refrigerators with the total capacity of 2000 tons, fruit sorting lines with the capacity of 2 t/hr, beans calibrating lines with the capacity of 3 t/hr, the line for production of jam with the capacity of 1 t/hr, corridor and others.

### **6. INVESTMENT DIRECTIONS:**

- As per the project, attracted foreign direct investments will be used for building a new project, taking into account industrial and environmental safety, education and training.

### **7. LOCATION:**

1) 1 object in **Tashkent region**:

*For reference:*

*The population of the Tashkent region is more than **2.8 million people**. The total area of the territory is **15,300 km**. Annual production of fruit and vegetable products in thousand tons:*

- **Vegetables - 2244.3;**
- **Fruits - 0,22;**

- **Melons - 162,3;**
- Beans - 14,0;
- Grapes - 0,17.

2) 1 object in **Fergana region**:

***For reference:***

*The population of the Fergana region is more than **2.9 million people**. The total area of the territory is **6800 km**. Annual production of fruit and vegetable products in thousand tons:*

- **Vegetables - 867.2;**
- **Fruits - 465,3;**
- Melons - 0,8;
- Beans - 0,7;
- **Grapes - 127,8.**

**8. PERIOD OF REALIZATION:**

- Construction of the project requires up to 12 months in order to completely launch the production. The project is planned to be implemented **in 2018-2020 y.**

**9. BUDGET OF THE PROJECT:**

- **2 850 000 USD** - fixed assets (buildings and constructions, equipment for sorting and processing of fruits and vegetables, refrigeration equipment, construction and installation works, etc.)

- **2 700 000 USD** – working capital (purchase of raw materials for the turnover required for the production, sorting of fruits and vegetables, wages of workers, etc.).

- Total cost of the project: **5 550 000 USD.**

***For reference:***

*Data can be changed based on market fluctuations at the time of purchase of fruit and vegetable products. The total cost of the project can also be optimized after carrying out further negotiations and altering the proposal.*

**10. FINANCING SOURCES:**

**10.1. The project implementation includes the following options:**

- Joint implementation with an interested partner;
- Attracting preferential credit resources of foreign financial institutions;

**10.2. Implementation mechanism:**

- Defining the equity participants (establishing JV etc.)
- The project feasibility preparation;
- Registration of the project in authorized local authorities;
- Obtaining permission for building a trade and logistics center;
- Carrying out preliminary construction works (concreting, drilling, supply of communications and others);
- Construction of the logistic center complex;
- Commissioning.

## PROSPECTS OF COOPERATION

The objectivity of this project implementation is caused by a variety of reasons:

1. Today, agriculture in Uzbekistan is experiencing lack of infrastructure for storage, sorting and processing of fruits and vegetables;

2. The regions where the project planned to launch pose greater potential for production high-quality fruit and vegetables according to the annual production statistics;

3. The territory of the Tashkent region borders with Tajikistan and Kazakhstan and Fergana region with Kyrgyzstan and Tajikistan, which will create good conditions to export products to neighboring countries

4. Location of the project will benefit from logistics by buying products at low prices directly from the Fergana Valley eventually increasing the turnover of goods.

5. Based on the Decree of the President of the Republic of Uzbekistan No. PD-2460 dd. 29.12.2015, «Uzbekoziqovqatzakhira» association is one of the major executors for the construction of new modern refrigerating chambers for storage of fruits and vegetables in the amount of 325 000 tons, as well as the construction of logistics centers for processing, storage and transportation of fruits and vegetables in 2018-2020 period.

According to the above data, we can confidently state that the joint implementation of this project will provide an opportunity for interested investors to organize safe investment activities in the republic, whose rights are fully protected by legislative acts of the Republic of Uzbekistan.

Our association in **Ferghana, Andijan, Namangan and Tashkent regions** plans the implementation of similar projects between 2018-2020 yy.

## CONTACTS

**For further enquiries feel free to contact:**

**Ulugbek Makhmudov**

Head of Investment department

email: [u.makhmudov@uzsavdo.uz](mailto:u.makhmudov@uzsavdo.uz)

mob: +99871 2391008

**Bekhzod Rasulev**

Deputy Head of investment department

email: [b.rasulev@uzsavdo.uz](mailto:b.rasulev@uzsavdo.uz)

mob: +99871 2394950